

1930.
NEW ZEALAND.

DEPARTMENT OF INDUSTRIES AND COMMERCE

(THIRTEENTH ANNUAL REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

THIS report deals with the work of the Department of Industries and Commerce since the previous report was placed before Parliament, and covers generally the period ending 30th April, 1930.

ORGANIZATION AND STAFF.

In December last a decision was made by the Government to amalgamate the Department of Industries and Commerce with the Department of Tourist and Health Resorts, and at the same time it was decided to merge into the one organization the Publicity Branch of the Department of Internal Affairs.

The late General Manager of the Department of Tourist and Health Resorts, Mr. B. M. Wilson, died in September, 1929, and at the end of the year Mr. J. W. Collins, the previous Secretary of the Department of Industries and Commerce, was appointed Trade and Tourist Commissioner in Canada. The amalgamated Departments have been placed in charge of Mr. G. W. Clinkard, M.Com., who previously occupied the position of Advisory Officer, and who, at the date of the amalgamation, was acting as Secretary to the Samoan Administration, on loan from the New Zealand Public Service.

The amalgamation of these Departments is confidently expected to result in economy and greater efficiency of operation. The work of the Departments is closely allied, particularly in relation to New Zealand representation overseas, for the dissemination of publicity matter, the development of trade, and the encouragement of tourist traffic to the Dominion.

Mr. L. J. Schmitt, previously Advisory Accountant in the Department, has returned to the Public Service, and has been appointed Trade and Tourist Commissioner in the Commonwealth of Australia, with headquarters at Sydney.

GENERAL TRADE REVIEW.

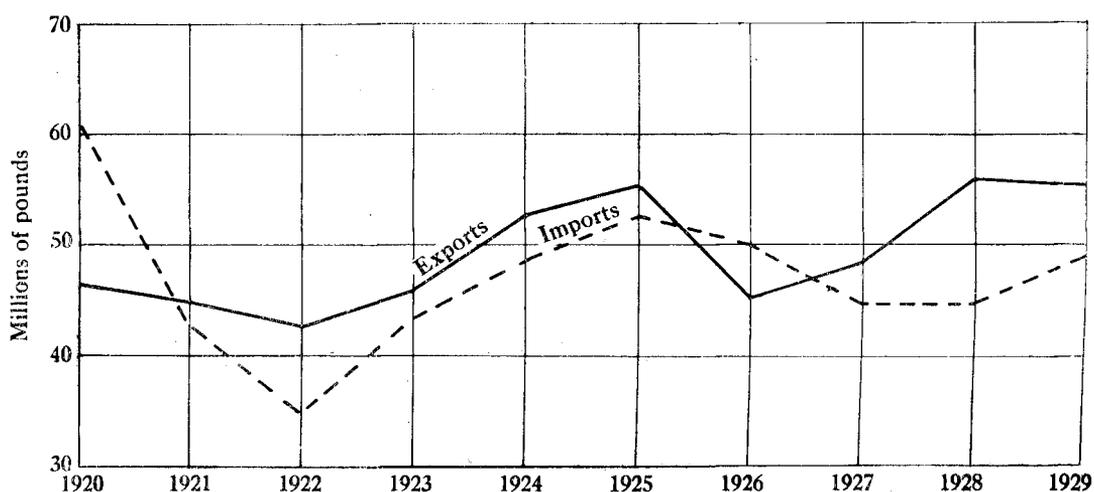
The 31st March, 1930, marks the close of a year in which, as far as overseas trade is concerned, there were two outstanding features—namely, a more or less continuous fall in the prices of some of our principal primary products in the world's markets, and a substantial increase in importations of all kinds of commodities. The result has had a marked effect upon economic conditions within the Dominion, and, in particular, upon our trade balance and our banking figures. The decline in the total value of our exports especially provides eloquent evidence of the effect that prices have on the spending-power of the community and on the general prosperity of the country.

The value attained for our exports was £49,045,817, which compares with £57,154,343 and £54,962,031 for the years ended 31st March, 1929 and 1928 respectively. Imports, on the other hand, totalled £49,167,914 during the past year, as compared with £45,105,865 for the year ended 31st March, 1929, and £44,419,357 for the year ended 31st March, 1928. The net result for the past financial year is therefore an excess of imports amounting to £122,097, which compares with excesses of exports amounting to £12,048,478 and £10,542,674 for the two previous years respectively.

Taking the figures for the past calendar year—with which it is usual for this annual report to deal—a considerably more favourable position is revealed, owing to the fact that most of the decrease of £8,108,526 in the value of our exports for the year ended 31st March, 1930, occurred during the March quarter when the greater part of our seasonal primary produce was marketed. Exports for the calendar year 1929 totalled £55,579,063—the second highest figure ever attained—and imports aggregated £48,797,977, giving a favourable trade balance of £6,781,086.

The following table sets out for each of the last ten years the value of our exports, imports, total external trade, and trade balance, while the diagram which follows illustrates these figures graphically.

| Year. | Exports. | Imports. | Total External Trade. | Excess of | |
|------------|------------|------------|-----------------------|------------|------------|
| | | | | Exports. | Imports. |
| | £ | £ | £ | £ | £ |
| 1920 | 46,441,946 | 61,595,828 | 108,037,774 | .. | 15,153,882 |
| 1921 | 44,828,827 | 42,942,443 | 87,771,270 | 1,886,384 | .. |
| 1922 | 42,726,249 | 35,012,561 | 77,738,810 | 7,713,688 | .. |
| 1923 | 45,967,165 | 43,378,493 | 89,345,658 | 2,588,672 | .. |
| 1924 | 52,612,711 | 48,527,603 | 101,140,314 | 4,085,108 | .. |
| 1925 | 55,262,272 | 52,456,407 | 107,718,679 | 2,805,865 | .. |
| 1926 | 45,275,575 | 49,889,563 | 95,165,138 | .. | 4,613,988 |
| 1927 | 48,496,354 | 44,782,946 | 93,279,300 | 3,713,408 | .. |
| 1928 | 56,188,481 | 44,886,266 | 101,074,747 | 11,302,215 | .. |
| 1929 | 55,579,063 | 48,797,977 | 104,377,040 | 6,781,086 | .. |



EXPORTS.

The table given below sets out the quantities and values of the principal items of export in each of the calendar years 1928 and 1929.

| Item. | 1928. | | 1929. | | |
|----------------------------|-----------|------------|------------|-----------|------------|
| | Quantity. | Value. | Quantity. | Value. | |
| | | £ | | £ | |
| Butter | Cwt. | 1,449,570 | 11,302,667 | 1,653,797 | 13,227,917 |
| Cheese | .. | 1,567,272 | 6,693,951 | 1,779,093 | 7,017,463 |
| Beef, frozen | .. | 699,274 | 1,043,782 | 328,416 | 534,442 |
| Lamb, frozen | .. | 1,832,079 | 6,641,222 | 1,850,937 | 6,786,053 |
| Mutton, frozen | .. | 997,420 | 1,946,013 | 879,457 | 1,790,628 |
| Hides and calf-skins | No. | 1,201,147 | 1,228,105 | 958,719 | 677,925 |
| Rabbit-skins | .. | 12,104,072 | 582,148 | 9,122,917 | 361,949 |
| Pelts | .. | 8,817,267 | 1,409,514 | 8,559,739 | 1,423,606 |
| Wool | Bales | 657,849 | 16,679,098 | 688,642 | 15,359,206 |
| Tallow | Tons | 25,748 | 804,271 | 20,832 | 693,614 |
| Kauri-gum | .. | 4,394 | 240,139 | 4,937 | 267,610 |
| Gold | Oz. | 118,720 | 489,584 | 119,379 | 490,240 |
| Sausage-skins | Lb. | 3,771,636 | 799,356 | 3,677,965 | 653,033 |

As will be observed, increases in quantities exported are recorded for 1929 in butter, cheese, lamb, wool, kauri-gum, and gold, while the remaining items enumerated in the table show decreases. Increased values are shown for all those items of which greater quantities were exported in 1929 than in 1928, with the exception of wool. In this case a recession in value of £1,319,812 took place owing to the downward trend in prices last year, in spite of the fact that 30,793 more bales were exported. Pelts, however, showed an increase in total value for 1929, although smaller quantities were exported.

With regard to the direction of our export trade, this information is furnished by the table which follows, the figures being shown for the last four years:—

Value of New Zealand's Exports according to Country of Destination, 1926-29.

| | 1926. | 1927. | 1928. | 1929. |
|--|------------|------------|------------|------------|
| British Possessions, Protectorates, &c.— | £ | £ | £ | £ |
| United Kingdom | 35,102,087 | 36,877,887 | 40,510,059 | 40,956,786 |
| Australia | 3,054,433 | 3,665,962 | 3,403,068 | 2,338,574 |
| Canada | 861,717 | 1,666,598 | 2,469,150 | 3,353,975 |
| All other British countries | 508,380 | 551,130 | 873,799 | 809,670 |
| | 39,526,617 | 42,761,577 | 47,256,076 | 47,459,005 |
| Foreign Countries and Possessions— | | | | |
| United States of America | 3,818,232 | 2,681,091 | 4,260,315 | 3,653,327 |
| France | 681,668 | 1,008,291 | 1,800,897 | 1,768,399 |
| Germany | 364,629 | 1,139,654 | 1,290,071 | 1,220,899 |
| All other foreign countries | 884,429 | 905,741 | 1,581,122 | 1,477,433 |
| | 5,748,958 | 5,734,777 | 8,932,405 | 8,120,058 |
| Totals, all countries | 45,275,575 | 48,496,354 | 56,188,481 | 55,579,063 |

The first feature that is noticed in regard to the figures for 1929 is that, in spite of the reduced total value as compared with 1928, exports to British countries show a pleasing increase of £202,929. Exports to foreign countries, on the other hand, reveal a decrease of £812,347. Other noteworthy features that may be briefly mentioned are an increase in 1929 of £446,727 in exports to the United Kingdom, an increase of £884,825 in exports to Canada, and decreases of £606,988 and £64,494 in exports to the United States and Australia respectively.

The percentages of total exports claimed by each of the principal countries trading with the Dominion are shown below in the following table for the last four years:—

| | 1926. | 1927. | 1928. | 1929. |
|----------------------------------|-----------|-----------|-----------|-----------|
| | Per Cent. | Per Cent. | Per Cent. | Per Cent. |
| United Kingdom | 77·53 | 76·04 | 72·09 | 73·69 |
| United States of America | 8·43 | 5·53 | 7·58 | 6·57 |
| Australia | 6·75 | 7·56 | 6·05 | 4·21 |
| Canada | 1·90 | 3·41 | 4·39 | 6·03 |
| France | 1·51 | 2·08 | 3·20 | 3·18 |
| Germany | 0·80 | 2·35 | 2·30 | 2·20 |
| Belgium | 0·38 | 0·34 | 0·54 | 0·45 |
| Japan | 0·36 | 0·52 | 1·17 | 0·77 |

For several years past the proportion of our trade with the United Kingdom has been steadily declining, but in 1929 there was a welcome increase as compared with 1928, the percentage rising from 72·09 per cent. in the latter year to 73·69 in the former. The proportion of our trade conducted with Canada has been steadily rising year by year, while, on the other hand, the percentage that trade with Australia represents in regard to total export trade has shown a declining tendency. The percentage claimed by the United States fell from 7·58 per cent. in 1928 to 6·57 per cent. in 1929. Trade with all British countries represented 85·39 per cent. of total exports in 1929 as compared with 84·10 per cent. in 1928. On the other hand, our export trade with foreign countries fell from 15·90 per cent. in 1928 to 14·61 per cent. in 1929.

IMPORTS.

As previously mentioned, the value of imports in 1929 was considerably in excess of the value for 1928, the actual increase being £3,911,711. This occurred through larger importations of four main items. These comprised motor-vehicles, which increased from 18,787, valued at £2,766,919, in 1928, to 29,147, valued at £4,278,924, in 1929 (an increase of 10,360 in number and £1,512,005 in value); petrol and kerosene, which increased by 9,788,795 gallons and £523,624 in value; motor-tires, which increased by £198,637; and silk piece-goods, which increased by £210,076.

The table which follows shows for each of the last four years the values of imports derived from the principal countries trading with New Zealand.

Value of New Zealand's Imports according to Country of Origin, 1926-29.

| | 1926. | 1927. | 1928. | 1929. |
|--|------------|------------|------------|------------|
| British Possessions, Protectorates, &c.— | £ | £ | £ | £ |
| United Kingdom | 22,827,406 | 21,464,114 | 21,290,060 | 22,568,774 |
| India and Ceylon | 1,730,399 | 1,614,624 | 1,643,031 | 1,683,955 |
| South African Union | 140,021 | 122,597 | 104,043 | 100,998 |
| Canada | 3,431,533 | 2,739,826 | 3,259,104 | 4,787,181 |
| Australia | 4,625,200 | 3,869,246 | 3,499,484 | 3,258,612 |
| Fiji | 892,894 | 424,785 | 571,728 | 174,898 |
| All other British countries | 426,288 | 482,369 | 443,890 | 513,535 |
| | 34,073,741 | 30,717,561 | 30,811,340 | 33,087,953 |
| Foreign Countries and Possessions— | | | | |
| United States of America | 10,000,507 | 8,079,467 | 8,203,342 | 9,326,311 |
| France | 814,929 | 891,277 | 820,687 | 725,232 |
| Germany | 673,472 | 837,777 | 899,069 | 942,798 |
| Dutch East Indies | 793,457 | 882,590 | 999,524 | 1,153,187 |
| Japan | 582,352 | 591,963 | 576,810 | 625,118 |
| All other foreign countries | 2,951,105 | 2,782,311 | 2,575,494 | 2,937,378 |
| | 15,815,822 | 14,065,385 | 14,074,926 | 15,710,024 |
| Totals, all countries | 49,889,563 | 44,782,946 | 44,886,266 | 48,797,977 |

The figures for 1929 show increases in all the above countries, except India, Australia, Fiji, and France. Of these, India showed only a small decrease, while Fiji, Australia, and France showed decreases of £396,830, £240,872, and £95,455 respectively. The largest increases in imports that took place in 1929 as compared with 1928 were in respect of Canada (£1,528,077), the United Kingdom (£1,278,714), and the United States (£1,122,969).

In the table given below the percentages of total imports claimed by each of the principal countries trading with New Zealand are shown for the same four years.

| | 1926. | 1927. | 1928. | 1929. |
|----------------------------------|-----------|-----------|-----------|-----------|
| | Per Cent. | Per Cent. | Per Cent. | Per Cent. |
| United Kingdom | 45·76 | 47·93 | 47·43 | 46·25 |
| United States of America | 20·05 | 18·04 | 18·28 | 19·11 |
| Australia | 9·27 | 8·64 | 7·79 | 6·68 |
| Canada | 6·88 | 6·12 | 7·26 | 9·81 |
| India and Ceylon | 3·47 | 3·61 | 3·66 | 3·45 |
| South African Union | 0·28 | 0·27 | 0·23 | 0·21 |
| Fiji | 1·79 | 0·95 | 1·27 | 0·36 |
| France | 1·63 | 1·90 | 1·83 | 1·49 |
| Germany | 1·35 | 1·87 | 2·00 | 1·93 |
| Japan | 1·17 | 1·27 | 1·28 | 1·28 |
| Dutch East Indies | 1·59 | 1·89 | 2·23 | 2·36 |

Of our total importations in 1929 67·81 per cent. came from British countries and 32·19 per cent. from foreign countries, as compared with 68·64 per cent. from British and 31·36 per cent. from foreign sources in the previous year. Increased importations from the United States appear to account for the increase in the proportion derived from foreign sources last year.

BANKING RETURNS.

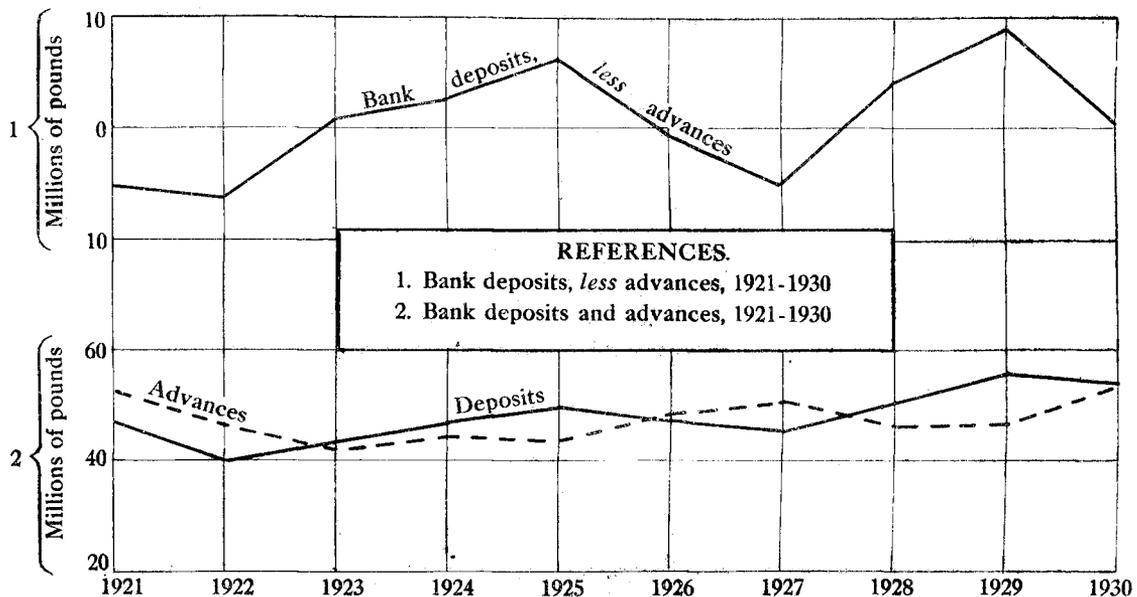
Like the figures of overseas trade, the banking returns as at the 31st March, 1930, also reveal less favourable features than those at the same date in either of the two previous years, but this was only to be expected under the circumstances ruling during the past year. The very substantial fall in the prices of several of our principal primary exports, particularly wool and dairy produce, the withholding of wool for sale, together with the heavy increase in importations, are factors that have vitally affected both our trade and our banking figures.

Nevertheless, the returns are better perhaps than were anticipated, and in view of the existing circumstances may be considered as satisfactory. The banking figures are indeed considerably better than those for the periods ended 31st March, 1926 and 1927. As it is, reasonable economy must be exercised while the prices of the majority of our principal primary exports are on the comparatively low level at which they have been for some little time, and until such time as our trade balance is restored to a more favourable position.

The table which follows shows for the last ten years the deposits and advances as at the 31st March in each year:—

| As at 31st March, | Deposits. | Advances. | Excess of | |
|-------------------|------------|------------|-----------|-----------|
| | | | Deposits. | Advances. |
| | £ | £ | £ | £ |
| 1921 | 47,155,731 | 52,446,341 | .. | 5,290,610 |
| 1922 | 40,360,390 | 46,491,316 | .. | 6,130,926 |
| 1923 | 43,465,816 | 42,521,571 | 944,245 | .. |
| 1924 | 47,033,292 | 44,403,524 | 2,629,768 | .. |
| 1925 | 49,897,228 | 43,730,262 | 6,166,966 | .. |
| 1926 | 47,302,480 | 48,285,140 | .. | 982,660 |
| 1927 | 45,528,813 | 50,800,809 | .. | 5,271,996 |
| 1928 | 49,958,295 | 46,070,370 | 3,887,925 | .. |
| 1929 | 55,345,493 | 46,359,742 | 8,985,751 | .. |
| 1930 | 54,003,241 | 53,676,778 | 326,463 | .. |

These figures are illustrated by the graphs which follow. The first diagram represents bank deposits less advances in each of the ten years 1921–1930, an excess of deposits in any particular year being shown above the zero line, and an excess of advances below the line. The second diagram depicts the actual figures of deposits and advances for the same ten years.



An analysis of the figures of deposits shows that fixed deposits have continued to expand during the past year, and that deposits on current account have fallen steadily. As compared with the figures for 1926 fixed deposits have increased by almost £10,000,000. The exceptionally high proportion that fixed deposits bear to total deposits clearly indicates that confidence in business conditions in New Zealand is not yet restored, and that there are large resources of capital available locally for investment. The actual figures of the two classes of deposits are exhibited below.

| As at 31st March, | Free Deposits. | Fixed Deposits. | Total. |
|-------------------|----------------|-----------------|------------|
| | £ | £ | £ |
| 1926 | 26,865,851 | 20,436,629 | 47,302,480 |
| 1927 | 24,440,778 | 21,088,034 | 45,528,812 |
| 1928 | 24,482,151 | 25,476,144 | 49,958,295 |
| 1929 | 25,736,743 | 29,608,752 | 55,345,495 |
| 1930 | 23,905,822 | 30,097,419 | 54,003,241 |

The steady decline in the proportion of free deposits to total deposits, and the corresponding increase in the proportion of fixed deposits, may be shown more clearly, perhaps, by expressing the above figures as percentages of total deposits.

| As at 31st March, | Free Deposits. Per Cent. of Total Deposits. | Fixed Deposits. Per Cent. of Total Deposits. |
|----------------------|---|--|
| 1926 | 57 | 43 |
| 1927 | 54 | 46 |
| 1928 | 49 | 51 |
| 1929 | 47 | 53 |
| 1930 | 44 | 56 |

Returns of bank debits—that is, the total debits to all accounts—indicate that as a result of the favourable trade returns for the years ended 31st March, 1928 and 1929, internal trade expanded to some extent during the year ended 31st March, 1930, as compared with the previous year. For the first three months of 1930, however, a much smaller volume of business was transacted as compared with the corresponding three months of 1929. This was due to the smaller volume of purchasing-power available for spending consequent upon decreased receipts for our exports during 1929–30, to the raising of the bank overdraft rate, and to the accompanying restriction of credit facilities provided by the banks. These factors have no doubt been largely responsible for a rather depressing effect on the volume of business transacted.

Post Office Savings-bank returns for the year ended 31st March, 1930, are also satisfactory in view of the existing circumstances, although not quite as good as they were at the 31st March, 1929. Like the figures of the six trading banks, they also reflect the effects of the decline in values of our principal exports, and the substantial increase in imports which occurred during the past year.

For the year ended 31st March, 1930, deposits totalled £28,561,855 and withdrawals £29,575,994, making an excess of withdrawals amounting to £1,014,139. This compares favourably with an excess of withdrawals over deposits of £859,559, which was shown for the year ended 31st March, 1929, and more than favourably with an excess of withdrawals amounting to £2,973,931 for the year ended 31st March, 1928.

There are as yet no clear indications either of the probable trend of world prices or of the prices of our own particular primary exports next season. On the other hand, there are indications that the low level of prices in overseas markets is stimulating consumption in many lines, and with increased demand it is only reasonable to expect at least a cessation of the downward movement if not an upward turn in prices. At the present moment the latest advices suggest a more optimistic outlook for next season.

ISLAND TRADE.

Fiji.

Exports from New Zealand to Fiji during the year ended 31st December, 1929, showed a slight reduction in comparison with the previous year, the values being £135,652 and £138,709 respectively in those years. The figures for the last five years are as under :—

| Year ended 31st December, | Exports to Fiji. £ |
|------------------------------|-----------------------|
| 1925 | 133,450 |
| 1926 | 152,323 |
| 1927 | 120,202 |
| 1928 | 138,709 |
| 1929 | 135,652 |

The imports into New Zealand from Fiji during the past year showed a large decrease, the value being £174,898, as compared with £571,728 for the year ended 31st December, 1928. The figures for the last five years are set out below :—

| Year ended 31st December, | Imports from Fiji. £ |
|------------------------------|-------------------------|
| 1925 | 1,239,456 |
| 1926 | 892,894 |
| 1927 | 424,785 |
| 1928 | 571,728 |
| 1929 | 174,898 |

Two items account practically for the whole of the imports into New Zealand from Fiji. These are sugar and fresh fruits, the value of the latter varying comparatively little from year to year (except last year, when there was a reduction of £34,315) and the quantity and value of the former fluctuating a great deal. As the major item in the trade between the two countries, imports of sugar occupy a preponderant position as far as total trade is concerned. The decrease in imports from Fiji last year

is thus accounted for by a considerable reduction of £361,556 in imports of sugar. The fluctuations in the values of these two main items may be seen in the following table covering the last five years :—

| Year ended 31st December, | Imports into New Zealand from Fiji. | |
|---------------------------|-------------------------------------|---------------|
| | Sugar. | Fresh Fruits. |
| | £ | £ |
| 1925 | 1,084,886 | 143,529 |
| 1926 | 737,320 | 145,753 |
| 1927 | 270,992 | 144,730 |
| 1928 | 425,733 | 135,970 |
| 1929 | 64,177 | 101,655 |

Bananas are the chief item included under the heading of fresh fruits, imports from Fiji totalling £131,112 in 1928 and £97,232 in 1929. The hurricane which occurred towards the end of last year was no doubt responsible to some extent, at any rate, for the reduction in the figures for 1929.

As far as exports of sugar from Fiji are concerned, increasing quantities have been sent each year to Canada, where it is admitted under the British preferential tariff at a lower rate of duty than applies to foreign produced sugar. This fact, combined with the fact that raw sugar enters New Zealand free of duty, is probably responsible for the reduction in imports of that commodity into New Zealand from Fiji, and for the greater part of the supply being obtained from foreign sources.

Tonga.

The export trade of the Kingdom of Tonga is essentially confined to copra, while imports consist chiefly of drapery, hardware, flour, tinned meats, sugar, kerosene, benzine, timber, and gunnybags. The imports, apart from kerosene, benzine, and timber, are of United Kingdom, Australian, and New Zealand origin. In 1928, which is the latest year for which full statistics are available, British countries supplied 88 per cent. of the imports of Tonga, and foreign countries 12 per cent. The 88 per cent. from British countries comprised 38 per cent. from New Zealand, 27 per cent. from Australia, 16 per cent. from the United Kingdom, and 7 per cent. from other British possessions.

The following table shows the value of the import and export trade of Tonga during the years 1924–28 :—

| Year. | Imports. | Exports. |
|--------------|----------|----------|
| | £ | £ |
| 1924 | 232,600 | 306,658 |
| 1925 | 258,322 | 290,115 |
| 1926 | 227,882 | 263,198 |
| 1927 | 157,783 | 235,391 |
| 1928 | 211,907 | 287,668 |

Exports from New Zealand to Tonga in 1928 amounted to £86,695, and in 1929 to £58,599.

Western Samoa.

The trade of Western Samoa for the last five years is shown by the following table :—

| Year ended 31st December, | Imports. | Exports. | Total Trade. |
|---------------------------|----------|----------|--------------|
| | £ | £ | £ |
| 1925 | 345,989 | 379,388 | 725,377 |
| 1926 | 324,940 | 320,783 | 645,723 |
| 1927 | 304,369 | 335,978 | 640,347 |
| 1928 | 326,553 | 422,175 | 748,728 |
| 1929 | 288,849 | 293,938 | 582,787 |

The six chief suppliers in 1929 of the imports of Western Samoa were New Zealand (£78,794), Australia (£62,186), United Kingdom (£57,650), United States (£51,285), Fiji (£14,217), and Canada (£13,143). These together total £277,275, or 96 per cent. of the total imports into Western Samoa.

Of the exports of Western Samoa by far the largest proportion was absorbed in 1929 by European countries (exact destination unknown), the value being £172,591. Next in importance was the United States, which purchased goods to the value of £76,963, then New Zealand (£28,645), and then Germany (£8,876). These countries accounted for £287,075, representing approximately 98 per cent. of the total exports.

Exports to New Zealand comprised mainly bananas (£24,664) and cocoa-beans (£2,046), the remainder of the commodities supplied by Western Samoa (principally copra) not being of a nature suitable for New Zealand's requirements.

The quantities and values of the principal exports of Western Samoa during the last five years are shown below :—

| Year ended 31st December, | Cocoa. | | Copra. | | Rubber. | |
|---------------------------|--------|--------|--------|---------|---------|--------|
| | Tons. | Value. | Tons. | Value. | Tons. | Value. |
| | | £ | | £ | | £ |
| 1925 | 664 | 39,626 | 14,519 | 331,274 | 3 | 1,165 |
| 1926 | 356 | 20,151 | 12,249 | 275,086 | 33½ | 6,702 |
| 1927 | 792 | 48,216 | 11,665 | 242,672 | 158 | 24,802 |
| 1928 | 959 | 69,507 | 15,989 | 319,259 | 167 | 17,268 |
| 1929 | 677 | 46,286 | 12,941 | 205,330 | 110 | 9,613 |

Cook and Niue Islands.

The exports of these islands for the year 1929 aggregated £146,692, and imports £125,944, as against corresponding totals of £153,989 and £136,276 for 1928. The figures for each of the last five years are as under :—

| Year. | Exports. | | | Imports. | | |
|--------------|---------------|--------------|---------|---------------|--------------|---------|
| | Cook Islands. | Niue Island. | Total. | Cook Islands. | Niue Island. | Total. |
| | £ | £ | £ | £ | £ | £ |
| 1925 | 151,939 | 17,429 | 169,368 | 130,609 | 18,747 | 149,356 |
| 1926 | 138,588 | 17,655 | 156,243 | 134,473 | 17,563 | 152,036 |
| 1927 | 138,357 | 14,350 | 152,707 | 116,606 | 14,006 | 130,612 |
| 1928 | 133,051 | 20,938 | 153,989 | 117,639 | 18,637 | 136,276 |
| 1929 | 124,486 | 22,206 | 146,692 | 106,835 | 19,109 | 125,944 |

By far the largest part of the trade of this group of islands is conducted with New Zealand. Of recent years the United States has filled the second position of importance—but a considerable distance behind New Zealand—and then comes the United Kingdom. Exports from the Cook Islands to New Zealand in 1928 amounted to £96,470 and from Niue £16,347. Imports into the Cook Islands from New Zealand in the same year totalled £81,511 and into Niue £14,403. The total trade of New Zealand with the group in 1928 therefore amounted to £208,731 out of a total trade of £290,265, or approximately 72 per cent. The detailed figures for 1929 showing the direction of the trade of these islands are not yet available.

The principal exports from the Lower Group are oranges, bananas, tomatoes, and copra; from the Northern Group copra and pearl-shell; and from Niue copra, bananas, and the well-known Niuean hats and fancy baskets.

TRADE WITH AUSTRALIA.

One of the features of our external trade during the last few years has been the decline in our trade with Australia, both absolutely and relatively to total trade. This tendency is exemplified by the following table, which sets out the figures for the last five years :—

| | Exports to Australia. | Imports from Australia (according to Country of Origin). | Total Trade. |
|--------------|-----------------------|--|--------------|
| | £ | £ | £ |
| 1925 | 2,502,113 | 5,249,493 | 7,751,606 |
| 1926 | 3,054,433 | 4,625,200 | 7,679,633 |
| 1927 | 3,665,962 | 3,869,246 | 7,535,208 |
| 1928 | 3,402,655 | 3,499,151 | 6,901,806 |
| 1929 | 2,338,410 | 3,258,727 | 5,597,137 |

This decline may be indicated with greater force by expressing the above figures as percentages of total exports and imports :—

| | | | | | Exports to Australia (per Cent. of Total Exports). | Imports from Australia (per Cent. of Total Imports). |
|------|----|----|----|----|--|--|
| 1925 | .. | .. | .. | .. | 4.53 | 10.01 |
| 1926 | .. | .. | .. | .. | 6.75 | 9.27 |
| 1927 | .. | .. | .. | .. | 7.56 | 8.64 |
| 1928 | .. | .. | .. | .. | 6.05 | 7.79 |
| 1929 | .. | .. | .. | .. | 4.21 | 6.68 |

As far as our export trade is concerned, Australia held second position in 1927—the first time for many years—but was supplanted by the United States in 1928 and by Canada in 1929, so that she now occupies only fourth place.

Imports from Australia have fallen steadily from 10.01 per cent. in 1925 to 6.68 per cent. in 1929, the explanation being mainly that less wheat, flour, coal, and timber are taken by the Dominion. As regards our import trade also, Australia now occupies fourth position, Canada supplanting her for third place in 1929.

It is remarkable that two neighbouring countries situated as closely as are New Zealand and Australia and united by the same ties of kinship and by the possession of the same tastes and characteristics in their people should show the drift in their trade relations which has been exhibited during the last few years. Unfortunately, the recent tariff restrictions imposed on certain New Zealand commodities entering Australia, notably butter and cheese, and the virtual embargo on potatoes, have deprived New Zealand of a valuable market for those products. The balance of trade between the two countries for many years has been in favour of Australia, and for the year 1929 imports from that country into New Zealand exceeded exports from the Dominion to the Commonwealth by £920,317.

With the reorganization that has taken place in the Dominion's representation in Australia it is hoped that something can be done towards a definite improvement in future trade relations.

TRADE WITH CANADA.

Our trade with Canada in 1929 showed further rapid development, the increase in our exports thither as compared with the previous year being £884,825, and the increase in imports from Canada being £1,528,353. In 1928 Canada ranked as fourth in importance of New Zealand's customers as regards both our exports and imports. In 1929 Canada rose to third position.

An indication of the rapidity with which trade with our sister Dominion has advanced of recent years is obtained from a glance at the following figures :—

| Year ended 31st December, | | | | | Value of Exports to Canada. | Value of Imports from Canada. |
|---------------------------|----|----|----|----|--------------------------------|----------------------------------|
| | | | | | £ | £ |
| 1925 | .. | .. | .. | .. | 423,068 | 3,916,237 |
| 1926 | .. | .. | .. | .. | 861,717 | 3,431,533 |
| 1927 | .. | .. | .. | .. | 1,666,598 | 2,739,826 |
| 1928 | .. | .. | .. | .. | 2,469,150 | 3,258,828 |
| 1929 | .. | .. | .. | .. | 3,353,975 | 4,787,181 |

Perhaps an even better indication may be obtained by the expression of the above figures as percentages of the values of the total exports and imports of New Zealand :—

| Year ended 31st December, | | | | | Exports to Canada (per Cent. of Total Exports). | Imports from Canada (per Cent. of Total Imports). |
|---------------------------|----|----|----|----|---|---|
| 1925 | .. | .. | .. | .. | 0.77 | 7.47 |
| 1926 | .. | .. | .. | .. | 1.90 | 6.88 |
| 1927 | .. | .. | .. | .. | 3.44 | 6.12 |
| 1928 | .. | .. | .. | .. | 4.39 | 7.26 |
| 1929 | .. | .. | .. | .. | 6.03 | 9.81 |

The balance of trade for 1929 is again considerably in favour of our sister Dominion, but the important step taken by the New Zealand Government towards the end of the year, referred to at greater length in another section of this report—*i.e.*, the appointment of a Commissioner for New Zealand in Canada—should give an impetus to the export trade of New Zealand, and, provided no obstacles to trade are erected, should help to equalize the value of the trade between the two countries.

The value of the main items exported from New Zealand to Canada in each of the last five years is as follows :—

| — | 1925. | 1926. | 1927. | 1928. | 1929. |
|-------------------------------------|---------|---------|---------|-----------|-----------|
| | £ | £ | £ | £ | £ |
| Butter | 26,360 | 230,562 | 899,727 | 1,565,646 | 2,707,669 |
| Sausage casings and skins .. | 231,884 | 319,470 | 422,655 | 461,074 | 265,521 |
| Wool | 53,951 | 158,329 | 213,140 | 224,810 | 200,163 |
| Hides, pelts, and skins (undressed) | 66,809 | 97,316 | 57,127 | 81,785 | 63,904 |

It will be noticed that in 1929 butter represented approximately 81 per cent. of our total exports to Canada. In view of this fact, and in view of the fact that the balance of trade each year is in favour of Canada, the recent decision of the Canadian Government to cancel the application of the Australian trade agreement to New Zealand must be regarded as of serious import to the trade connections which have been built up during the last few years by New Zealand exporters with Canadian business houses. It is hoped, however, that before the expiry of the Order in Council which extended the agreement to New Zealand, tariff arrangements may have been completed mutually satisfactory to both countries.

As regards imports into New Zealand from Canada, as will be seen in the following table, the principal item consists of motor-vehicles, and the increase in imports last year as compared with the previous year is explained chiefly by additional imports of that particular item. The values of the main items of import for the last five years are shown below :—

| — | 1925. | 1926. | 1927. | 1928. | 1929. |
|--|-----------|---------|---------|---------|-----------|
| | £ | £ | £ | £ | £ |
| Motor-vehicles—cars, trucks, and buses, and chassis for same | 1,344,337 | 839,188 | 276,359 | 593,372 | 1,574,246 |
| Tires for motor-vehicles .. | 589,843 | 396,622 | 520,274 | 595,385 | 754,709 |
| Newsprint | 227,140 | 251,050 | 266,226 | 267,893 | 319,014 |
| Boots, shoes, and other footwear .. | 124,844 | 175,111 | 157,749 | 203,527 | 250,254 |
| Fish, preserved in tins | 118,332 | 111,090 | 101,447 | 105,060 | 116,941 |

The transport facilities between New Zealand and Canada are adequate and regular, the production seasons are opposite, and the good will and respect of importers is mutually held in each country. It will be a matter for great regret, therefore, if a satisfactory trade agreement cannot be implemented between the two countries. Other than this there appears to be no bar to a continuation of the rapid development which has been exhibited in the trade figures during the last few years.

TRADE WITH THE UNITED STATES.

The value of our exports to the United States in 1929 totalled £3,653,327, as compared with £4,260,315 for the previous year, while imports into New Zealand from the United States amounted to £9,326,311 in 1929, as against £8,203,342 for 1928. The value of our trade with that country for the last five years is shown by the table below, and also its relative importance as far as total exports and imports are concerned :—

| Year. | Exports. | Per Cent. of Total Exports. | Imports. | Per Cent. of Total Imports. |
|--------------|-----------|-----------------------------|------------|-----------------------------|
| | £ | | £ | |
| 1925 | 4,349,758 | 7·87 | 8,885,265 | 16·94 |
| 1926 | 3,818,232 | 8·43 | 10,000,507 | 20·05 |
| 1927 | 2,681,091 | 5·53 | 8,079,467 | 18·04 |
| 1928 | 4,260,315 | 7·58 | 8,204,197 | 18·28 |
| 1929 | 3,653,327 | 6·57 | 9,326,311 | 19·11 |

Our principal exports to the United States in 1929 were as follows, the figures for the previous year, 1928, being given also :—

| | 1929. | 1928. |
|-----------------------------------|-----------|-----------|
| | £ | £ |
| Hides, pelts, and skins | 1,650,976 | 1,874,226 |
| Wool | 656,656 | 701,730 |
| Frozen beef | 242,972 | 358,345 |
| Butter | 75,955 | 328,140 |
| Sausage casings and skins | 262,559 | 272,616 |
| Kauri-gum | 129,432 | 141,845 |
| Phormium fibre | 138,776 | 96,291 |
| Seeds | 76,615 | 70,131 |
| Gold | 44,192 | 57,941 |

As regards our imports from the United States, the most important item in 1929 was motor-spirit and other mineral oils, which was valued at £2,348,413, as compared with £2,263,948 in 1928. Motor-vehicles, and materials and parts for same, was the next most important item, totalling £2,054,782 in 1929, as against £1,737,059 in 1928. The remainder of the trade covered a wide range of articles in which iron and steel goods, timber, sulphur, tobacco, fruits, cinematograph films, &c., figured prominently.

It is feared that the increased tariff on certain items recently introduced by the Tariff Bill in the United States will have a detrimental effect on the volume of exports from the Dominion.

TRADE WITH THE EAST.

The question of the development of our trade with the East has engaged the attention of the Department during the past year. The Department has co-operated with the Chambers of Commerce in this matter—particularly the Wellington Chamber—and in September last issued a bulletin upon the subject. A further and more detailed report is now being prepared, and will shortly be issued as a Departmental bulletin to Chambers of Commerce and business men interested in this particular trade. This latter report was compiled by Professor H. Belshaw, by arrangement with the Department, as a result of inquiries conducted by him on his visit to Japan towards the end of last year.

There seems to be no doubt but that the principal difficulty that stands in the way of the development of our trade with the East is the lack of adequate shipping facilities. A regular direct shipping service with refrigerated space would enable several of our products to find a remunerative market in, for instance, Japan and South China, where at the present time they are either wholly or comparatively unknown. The rapid growth of population in eastern Asiatic countries and the progressive adoption and assimilation of western ideas, habits, and tastes, both in regard to clothing and food, are factors that are bringing about an increasing demand for the products that New Zealand can supply.

The values of our import and export trade with the principal markets of the East are shown in the tables below :—

Value of Exports to Undermentioned Countries.

| Country. | 1925. | 1926. | 1927. | 1928. | 1929. |
|----------------------------|---------|---------|---------|-----------|---------|
| | £ | £ | £ | £ | £ |
| Ceylon | 484 | 947 | 1,764 | 4,221 | 7,055 |
| Hong Kong | 17,953 | 13,771 | 27,304 | 12,909 | 12,745 |
| India | 197,428 | 82,826 | 145,653 | 379,338 | 386,421 |
| Straits Settlement | 21,216 | 22,074 | 39,098 | 31,611 | 26,556 |
| China | 6,603 | 7,599 | 24,829 | 34,979 | 36,348 |
| Japan | 232,213 | 162,832 | 251,547 | 657,915 | 428,577 |
| Philippine Islands | 6,319 | 14,540 | 9,992 | 3,415 | 19,342 |
| Dutch East Indies | 8,016 | 17,208 | 22,745 | 13,939 | 19,191 |
| Totals | 490,232 | 321,797 | 522,932 | 1,138,327 | 936,235 |

Value of Imports from Undermentioned Countries (on Basis of Country of Origin).

| Country. | 1925. | 1926. | 1927. | 1928. | 1929. |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ | £ |
| Ceylon | 844,596 | 868,821 | 855,048 | 860,886 | 923,748 |
| Hong Kong | 17,819 | 18,610 | 5,006 | 7,176 | 6,907 |
| India | 912,741 | 861,578 | 759,829 | 782,144 | 766,756 |
| Straits Settlement | 75,745 | 71,638 | 80,931 | 88,501 | 103,782 |
| China | 121,043 | 116,822 | 107,547 | 129,533 | 131,031 |
| Japan | 693,632 | 582,352 | 591,963 | 576,495 | 625,714 |
| Philippine Islands | 51,508 | 40,992 | 37,187 | 30,825 | 28,929 |
| Dutch East Indies | 610,685 | 793,457 | 882,590 | 999,524 | 1,152,705 |
| Totals | 3,327,769 | 3,354,270 | 3,320,101 | 3,475,084 | 3,739,572 |

As will be noticed, imports from the above-mentioned countries in the aggregate regularly exceed, by a large margin, the total value of our exports to the same countries. Our import trade with the principal eastern Asiatic countries has changed comparatively little during the last five years, approximating in the years 1925 to 1929 about £3,500,000. Exports, on the other hand, have shown considerable expansion, increasing from £490,232 in 1925 to £1,138,327 in 1928, and £936,235 in 1929.

Japan is the principal buyer of our products, of which the most important is wool. Indeed, this item forms a large proportion of the aggregate value of all exports to Asiatic countries. In 1925 our exports of wool to Japan amounted to £214,736, in 1926 to £118,738, in 1927 to £150,305, in 1928 to £588,266, and in 1929 to £339,126.

Our markets in the East are already valuable, but their potential value is infinitely greater, and a realization of this on the part of our exporters is evidenced by the awakening interest in the possibilities of the development of this trade. The importance of New Zealand as a market for Asiatic commodities and as a supplier of certain products for which there is a growing demand, is evidenced, too, by the interest which Japan, for instance, is taking at the present time in regard to the development of trade with this Dominion. The recent appointment of a Trade Commissioner for Japan in New Zealand, and the proposals of certain Japanese shipping lines for the extension of their services to New Zealand, are indications of the importance attached to the development of new and existing markets. Our exporters should take heed of the possibilities of the markets of the East, and explore them to the fullest extent.

OVERSEAS TRADE REPRESENTATION.

Two important appointments have been made during the year in connection with New Zealand's overseas trade representation, and the Department now has two officers abroad engaged exclusively in trade and tourist development work. The appointments referred to are those of Mr. J. W. Collins as Commissioner for New Zealand in Canada and the United States, and Mr. L. J. Schmitt, as New Zealand Trade and Tourist Commissioner in Australia. Prior to the appointments, Mr. Collins was Secretary of the Department, and Mr. Schmitt held the position of Advisory Accountant, so that both are familiar with trade conditions in this country.

In view of the interest taken in the extension of overseas markets for the Dominion's produce, the Department issued a short bulletin (No. 7) drawing the attention of exporters and manufacturers to the facilities that New Zealand's Trade Commissioner service can provide. The value of those facilities which are now at the disposal of any person or firm desiring to extend trade relations with the countries concerned cannot be over emphasized, and it is hoped that Dominion exporters and merchants will co-operate with the Trade Commissioners and utilize their services to the fullest extent.

The office of the Commissioner for Canada and the United States will probably be established at Toronto in Canada, and that of the Commissioner in Australia is now definitely located at Sydney.

The Government Representatives and honorary agents and correspondents of the Department in various parts of the world have again been of great assistance to the Department on innumerable occasions, and their services are much appreciated.

STORES CONTROL BOARD.

Pursuant to the policy of the Government to give preference, wherever possible, in the purchase of stores and materials to New-Zealand-made products and to further closer co-operation between the Stores Control Board and New Zealand manufacturers, the Secretary of this Department was appointed a member of the Advisory Committee of the Stores Control Board as from the 23rd September, 1929. The Secretary or an officer of the Department acting on his behalf attends the meetings of the Committee and this is proving of advantage to all concerned.

CHAMBERS OF COMMERCE.

The Department is represented on the executive of the Chambers of Commerce in each of the four chief centres, and continues to keep in close touch with commercial activities and problems. This close relation is a great advantage, especially in the interchange of views on matters relating to the development of trade, and in regard to questions which directly affect State Departments.

The annual conference of the Associated Chambers of Commerce of New Zealand, which was held in Auckland in October last, was opened by the Hon. the Minister of Industries and Commerce. The Secretary of the Department also attended. Many important matters affecting the common interests of traders were discussed.

MANUFACTURERS' ASSOCIATIONS.

The district officers of the Department act in an advisory capacity to the executives of the associations in the four chief centres, and by this method close contact and co-operation is maintained with each association. The assistance of the officers in the past has been availed of in connection with exhibition undertakings, shop-window displays of New-Zealand-made goods, and other propaganda work. The memberships of the associations have materially increased during the past year, one association adding ninety-five members to its roll, representing an increase of 35 per cent. The associations have for their object the fostering and encouragement in every way possible of the manufacturing industries that are or may be established in New Zealand. The methods adopted to attain this end have been by (1) promotion of exhibitions of Dominion manufactures; (2) newspaper and other forms of advertising; (3) conferences at regular intervals of the manufacturers of the Dominion and the interchange of views of interest regarding the industrial development of the Dominion.

In Auckland the publicity campaign carried out in conjunction with one of the newspapers in that city has created much interest by the efficient and interesting manner in which the various phases of manufacturing industries have been presented to the public. The Auckland Association has made a decided forward step in propaganda work in the establishment of a "Hall of Industries" in the new Queen's Arcade, Queen Street. The object of acquiring the premises in the heart of Auckland and the busiest shopping centre is to have a permanent exhibition space available to individual manufacturers. The area set aside for exhibits is contained in fourteen show-cases 7½ ft. long, by 2½ ft. deep, by 7 ft. high. These cases will be available to manufacturers, and, in addition, an island space 30 ft. by 20 ft. has been reserved for unit exhibits—*i.e.*, cooking-ranges, gramophones, &c., and can be subdivided in sections to suit exhibits. Her Excellency the Lady Bledisloe paid a visit recently to the Hall of Industries, and expressed her delight at the excellent display of the articles on view.

The Dunedin Association have featured annually the "Made-in-New-Zealand Window-display Week" as their main contribution towards effective propaganda work. The efforts this year of the organizer appointed and the special committee were responsible for securing the co-operation of no less than 268 retailers, who placed at the disposal of manufacturers over four hundred shop-windows. The displays made were most effective, and aroused considerable interest from the public. Unfortunately, owing to shortage of electric current due to a dry spell of weather in Otago, illumination of the windows at night was prohibited. For some time past negotiations have been carried on with the Agricultural and Pastoral Association with a view to combining in a joint exhibition building proposal for displaying both agricultural and manufacturing products, and recent discussions indicate the probability of an early settlement of previous difficulties.

The Christchurch Association have arranged for several years the use of the King Edward Barracks for Show purposes. The last Show held in August, 1929, set an exceptionally fine standard in exhibition and organization. Comprehensive and effective displays of manufacturers' products were featured. This Association recently celebrated its jubilee, and to mark this event it is proposed to erect a permanent Industrial Hall, the main purposes of which are: (1) The holding of industrial exhibitions, particularly winter exhibitions of primary and manufacturing industries; (2) to provide a hall large enough for the largest indoor public gatherings that may be required in Christchurch for some years; (3) to provide a smaller hall suitable for band-contests, concerts, indoor sports, motor exhibitions, &c.

Provision has been made in the plans for a conference-room for the Association, and suitable offices for the secretary of the Association. A site has been obtained in Moorhouse Avenue, opposite the railway-station. Competitive designs were invited from architects, and from numerous plans submitted one showing a proposed building of outstanding appearance has been selected. The approximate cost of land and building is estimated at £38,000. The Department congratulates the Canterbury Association on its initiative and progressiveness, and feels confident that the success which will attend the acquiring of a permanent building in which to stage annual exhibitions of Dominion manufactures will amply justify the initial steps that have been taken.

The Wellington Association reports a substantial increase in membership. The Association held its Sixth Annual Exhibition in conjunction with the Winter Show Association in July last. The space allocated to the Association was fully taken up by manufacturers. In contrast to the previous year, moving exhibits were more in evidence, and proved a great attraction. The displays comprised a very comprehensive variety of the many products manufactured in the Dominion. The standard of exhibits made by the individual manufacturers was of a high order.

The Department obtained space at both the Christchurch and Wellington Winter Shows, and featured statistics relating to factory production. Four graphs of five-yearly periods from 1908 were prepared, showing the number of employees engaged, the amount of wages paid, value of output, and horse-power used. Other exhibits were made to emphasize the expansion that has taken place in manufacturing industries.

STATISTICS RELATING TO MANUFACTURING INDUSTRIES.

In comparison with the figures for the previous year, the figures below show increases both in regard to employment and wages paid and also substantial increases in value of output and added value. The only figures that have declined are in respect of number of establishments, the relative figures being 1928, 5,166; 1929, 5,136; a decrease of 30. The decline took place in the coach- and motor-building factories, furniture and cabinet making, and flax-milling.

It is pleasing to record a substantial drop in short time in factories. This figure shows a recession of 22·47 per cent. at 1,259,610 hours, of which number the sawmilling industry contributed 314,697 hours, or 24·9 per cent. of the total.

The increases shown by the table below have been distributed fairly evenly over the four manufacturing districts. The greatest increases in "added value"—*i.e.*, the difference between the cost of materials and the value of products—occurred in Group 4, as shown on the following page.

| | Year ended 31st March, | | Differences, 1928-29. | |
|----------------------------------|------------------------|------------|-----------------------|--------------------|
| | 1928. | 1929. | Absolute. | Relative per Cent. |
| Establishments (number) | 5,166 | 5,136 | —30 | —0·58 |
| Persons engaged— | | | | |
| Males (number) | 66,000 | 67,174 | 1,174 | 1·78 |
| Females (number) | 15,756 | 16,506 | 750 | 4·76 |
| Total | 81,756 | 83,680 | 1,924 | 2·36 |
| Salaries and wages paid— | £ | £ | £ | £ |
| To males | 15,300,988 | 15,413,399 | 112,411 | 0·73 |
| To females | 1,576,790 | 1,675,346 | 98,556 | 6·25 |
| Total | 16,877,778 | 17,088,745 | 210,967 | 1·25 |
| Motive power (horse-power) | 417,105 | 463,666 | 46,561 | 11·16 |
| Cost of materials used | £ | £ | £ | £ |
| Value of products | 55,308,197 | 59,870,570 | 4,562,373 | 8·25 |
| Added value | 87,732,003 | 93,172,222 | 5,440,219 | 6·20 |
| Value of— | £ | £ | £ | £ |
| Land and buildings | 23,301,449 | 24,118,549 | 817,100 | 3·51 |
| Plant and machinery | 41,372,701 | 43,401,031 | 2,028,330 | 4·90 |
| Total | 64,674,150 | 67,519,580 | 2,845,430 | 4·40 |

NOTE.—The minus sign (—) denotes decrease.

In the following table a summary is given of the position of industry, under three main headings, in each of the four provinces indicated. It will be noted that Auckland and Wellington run very closely so far as value of production is concerned, and that in both of these provinces the figures exceed the value of products of both Canterbury and its allied districts and of Otago and Southland. This is mainly due, of course, to the high value of output from the semi-primary, dairying, and allied industries in the North Island. In the purely manufacturing field both the Canterbury and neighbouring districts, and Otago and Southland, occupy a very important place.

Summary by Districts.

| | Persons engaged. | | Salaries and Wages. | | Value of Products. | |
|---|------------------|----------|---------------------|------------|--------------------|------------|
| | 1927-28 | 1928-29. | 1927-28. | 1928-29. | 1927-28. | 1928-29. |
| | | | £ | £ | £ | £ |
| Auckland | 26,815 | 27,007 | 5,682,534 | 5,626,188 | 30,780,743 | 32,401,445 |
| Hawke's Bay, Taranaki, Wellington | 23,386 | 24,601 | 5,032,582 | 5,149,087 | 28,345,219 | 30,334,218 |
| Marlborough, Nelson, Westland, Canterbury | 17,478 | 17,644 | 3,492,945 | 3,544,134 | 16,864,705 | 17,861,940 |
| Otago, Southland | 14,077 | 14,428 | 2,669,717 | 2,769,336 | 11,741,336 | 12,574,619 |
| Totals | 81,756 | 83,680 | 16,877,778 | 17,088,745 | 87,732,003 | 93,172,222 |

In the following tables the various classes of industries contributing to the factory production of the Dominion have been grouped according to general character:—

Table showing for the Years ended 31st March, 1927, 1928, and 1929, Figures relating to the various Industries classified into Four Groups as stated.

| Year. | Persons engaged. | Salaries and Wages paid. | Materials used. | Value of Products. | Value added by Manufacture. | Land, Buildings, Plant, and Machinery. |
|-------|------------------|--------------------------|-----------------|--------------------|-----------------------------|--|
|-------|------------------|--------------------------|-----------------|--------------------|-----------------------------|--|

Group 1.

Group 1 includes meat-freezing, ham and bacon curing, butter, cheese, and condensed milk, sausage-casings, fellmongering and wool-scouring, boiling-down, and manure-making.

| | Number. | £ | £ | £ | £ | £ |
|-----------|---------|-----------|------------|------------|-----------|-----------|
| 1926-27.. | 10,780 | 2,724,508 | 28,761,058 | 35,949,071 | 7,188,013 | 9,099,276 |
| 1927-28.. | 11,692 | 2,726,430 | 32,892,737 | 40,316,821 | 7,424,084 | 9,125,123 |
| 1928-29.. | 12,418 | 2,826,703 | 36,860,159 | 44,042,398 | 7,173,239 | 9,248,290 |

Group 2.

Group 2 includes gas making and supply, electricity generation and supply, electric tramways.

| | Number. | £ | £ | £ | £ | £ |
|-----------|---------|-----------|-----------|-----------|-----------|------------|
| 1926-27.. | 7,583 | 1,789,606 | 3,573,037 | 6,109,861 | 2,536,824 | 28,514,595 |
| 1927-28.. | 7,210 | 1,851,644 | 4,221,136 | 6,601,850 | 2,380,714 | 30,087,314 |
| 1928-29.. | 7,319 | 1,876,482 | 4,448,650 | 6,970,275 | 2,521,625 | 32,282,452 |

Group 3.

Group 3 includes fish curing and preserving; log-sawmilling; lime crushing and burning, &c.; brick, tile, and pottery making; concrete block or pipe and fibrous-plaster making; pumice insulation; flax-milling.

| | Number. | £ | £ | £ | £ | £ |
|-----------|---------|-----------|-----------|-----------|-----------|-----------|
| 1926-27.. | 12,303 | 2,863,200 | 1,926,225 | 7,407,603 | 5,481,378 | 4,988,310 |
| 1927-28.. | 11,228 | 2,529,511 | 1,733,150 | 6,635,991 | 4,902,841 | 4,901,587 |
| 1928-29.. | 10,893 | 2,431,452 | 1,684,253 | 6,499,066 | 4,814,813 | 4,511,176 |

Group 4.

Group 4 includes all other industries.

| | Number. | £ | £ | £ | £ | £ |
|-----------|---------|-----------|------------|------------|------------|------------|
| 1926-27.. | 51,238 | 9,670,409 | 15,961,735 | 34,173,036 | 18,211,501 | 20,120,944 |
| 1927-28.. | 51,610 | 9,768,293 | 16,461,174 | 34,174,820 | 17,713,646 | 20,560,126 |
| 1928-29.. | 53,050 | 9,954,108 | 16,868,508 | 35,660,483 | 18,791,975 | 21,477,662 |

Percentages of each Group to Total.

1927-28.

| | | | | | | |
|---------|--------|--------|--------|--------|--------|--------|
| 1 .. | 14.30 | 16.15 | 59.47 | 45.96 | 22.91 | 14.11 |
| 2 .. | 8.82 | 10.97 | 7.63 | 7.53 | 7.34 | 46.52 |
| 3 .. | 13.73 | 14.99 | 3.14 | 7.56 | 15.12 | 7.58 |
| 4 .. | 63.15 | 57.89 | 29.76 | 38.95 | 54.63 | 31.79 |
| Total.. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

1928-29.

| | | | | | | |
|---------|--------|--------|--------|--------|--------|--------|
| 1 .. | 14.84 | 16.54 | 61.58 | 47.27 | 21.54 | 13.70 |
| 2 .. | 8.74 | 10.98 | 7.43 | 7.48 | 7.57 | 47.81 |
| 3 .. | 13.02 | 14.23 | 2.81 | 6.98 | 14.46 | 6.68 |
| 4 .. | 63.40 | 58.25 | 28.18 | 38.27 | 56.43 | 31.81 |
| Total.. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

The above tables assemble what might be termed (a) semi-primary industries, (b) certain public utilities and services, (c) semi-extractive and processing industries, and (d) other manufacturing industries.

Analyses of the data for the various industries disclose the following principal differences between 1928-29 and 1927-28 :—

Persons engaged.

Increases.—Meat-freezing, &c., 442; clothing, 400; printing and publishing, 269; electric supply 212; woollen-milling, 125; butter and cheese, 121; chemical fertilizers, 50.

Decreases.—Sawmilling, 175; flax-milling, 141; electric tramways, 74.

Salaries and Wages paid.

Increases.—Meat-freezing, &c., £85,455; clothing, £73,245; electric supply, £61,462; printing and publishing, £32,572; concrete block, &c., £20,894; woollen-milling, £17,999.

Decreases.—Sawmilling, £73,114; electric tramways, £27,035; flax-milling, £19,699; coach-building, £19,808; chemical fertilizers, £17,833; wool-scouring and fellmongering, £13,638.

Added Value.

Increases.—Printing and publishing, £200,608; butter and cheese, &c., £169,348; clothing, £161,189; motor and cycle engineering, £153,773; electric supply, £128,442; biscuits and confectionery, £80,155; engineering (general), £73,266; chemical fertilizers, £69,635; agricultural machinery and implement making, £61,749.

Decreases.—Meat-freezing, &c., £268,465; wool-scouring and fellmongering, £109,735; sawmilling, £58,874; flax-milling, £50,260; boot and shoe, £39,545.

Land, Buildings, Machinery, and Plant.

Increases.—Electric supply, £1,737,178; printing and publishing, £470,042; electric tramways, £101,065; aerated water and cordials, £45,163; meat-freezing, &c., £44,435; concrete block, &c., £39,921.

Decreases.—Sawmilling, £351,895; flax-milling, £180,851; agricultural machinery, &c., £61,447; coachbuilding, £46,493; woollen-milling, £40,380.

NEW INDUSTRIES.

A number of new industries have been definitely established, and other new developments in manufacture are planned.

In the South Island the Southern Cross Glass Co. of New Zealand has recently commenced to make bottles for the New Zealand trade. Other lines are contemplated as the company progresses. Initial difficulties were encountered on the formation and preliminary operations of this company, but the directors are now confident that the company will make steady progress in the manufacture of glass products. An extensive brickworks has been established in Fairfield, a suburb of Dunedin, by Messrs. C. and W. Shields, Ltd. Messrs. Brinsley and Co., gas-range manufacturers, of Dunedin, report that increased business has followed the installation during the year of their vitrous-enamelling plant, and further extensions to their factory have in consequence been made. The Dominion Fertilizer Co., Ltd., are erecting works at Ravensbourne (a suburb of Dunedin) for the manufacture of superphosphates. The factory is rapidly approaching completion, and the capital invested in this venture is approximately £300,000. The directors consider that the site, which is on the waterfront and with a railway siding will assist materially in enabling a reduction to be made in the selling-price of superphosphates in the Otago and Southland Districts.

In the Auckland District bowser-pumps are now being made by one company which has already supplied eight hundred to different parts of the Dominion. In the manufacture of these pumps it has been necessary to obtain parts from other engineering-works. The company considers that their product compares favourably in prices and utility with pumps imported from overseas. Several new confectionery factories are now operating in Auckland, among them being Stedman-Henderson Sweets, Ltd., and the Nestlé and Anglo-Swiss Condensed Milk Co., Ltd.

RATIONALIZATION.

The World Economic Conference defined rationalization as "the methods of technique and of organization designed to secure the minimum waste of either effort or material." It may thus be deemed to include not only the internal technical methods of organizing an establishment, but also those methods of organization and co-ordination which are on a much larger scale, and involve a general organization of economic activity.

Rationalization appeared first in response to the special needs of Germany when her industries were in a particularly depressed condition, but the universal desire for markets in a world impoverished by the Great War has brought about increased interest in the principle in other countries. Briefly, an industry in which the entire productive machinery has been thoroughly overhauled, including factory-organization, sales, distribution, &c., so that every bit works together as an effective machine to produce goods as cheaply as possible is said to be rationalized. As the name implies "rationalization" simply means "rational" or "reasonable" methods of production and distribution, as distinct from irrational methods, which result in unnecessary labour, waste, or expense.

Rationalization by its very nature is a continuous process. It can never be complete, for new needs constantly arising always demand new methods. Problems are constantly occurring in the course of industrial reconstruction, a process which is worldwide and which is inevitable. There are, however, spurious forms of rationalization, and these have led some people to oppose the movement. The term has been associated, for instance, in the minds of some sections of the general public with all sorts of mergers, trusts, and financial arrangements that do not necessarily fall within its scope. True rationalization must be carried out here in New Zealand, as in the older countries of the world, if our local industries are to compete successfully with commodities produced in overseas markets; and it would be calamitous if the process were retarded or prejudiced in the eyes of the public here or elsewhere owing to a confused conception of its aims and methods.

Our problems of unemployment can only be solved by going forward, by the continuous adoption of new ideas, new methods, and by the planning of production on more efficient lines. This involves, however, not only scientific organization in regard to tools and equipment, but also the study and organization of business effort. Until comparatively recently rationalization has been perhaps too narrowly concerned with the former phase of the movement. Its process, however, is now being clarified, and it is realized by enlightened business men that one of its objects should be not, perhaps, to drive the worker to greater effort, but to study how work may be done with less effort.

Rationalization is an economic necessity, and if its principles can be adopted and applied to every side of the industrial problem, it will bring about more rapid progress in the future and increase the welfare and well-being of the community as a whole.

PARLIAMENTARY SELECT COMMITTEE.

On the 8th November, 1929, the House of Representatives agreed that a Select Committee, consisting of four members, be appointed to "inquire into and report upon the means necessary to increase the efficiency and promote the development of the following industries of the Dominion: Coach and motor-body building, engineering, flaxmilling and rope and twine works, fruit-preserving and jam-making, woollen-mills and clothing: the Committee to sit in the recess, and to report to Parliament on or before the 1st day of July, 1930. The Committee to consist of Mr. H. R. Jenkins, Mr. D. G. Sullivan, Mr. A. Harris, and the Hon. Mr. Cobbe."

The Committee proposed holding meetings in the four chief centres for the purpose of hearing evidence from those interested in the above industries. It was also their purpose personally to inspect representative factories in each class of industry. The investigation would include consideration of the following matters:—

- (a) Methods making for greater efficiency in plant and personnel.
- (b) Hours of labour.
- (c) Working-conditions.
- (d) Piecework and conditions thereof, and methods of wage-payment.
- (e) Efficiency of workmen, and output per individual.
- (f) Power employed, particularly in regard to the use of electricity.
- (g) Standardization.
- (h) Costing systems.
- (i) Efficiency in management and supervision.
- (j) Relations between employer and employee.
- (k) Methods of marketing.

The manufacturers would also be asked to submit evidence to the Committee as to what, in their opinion, are the difficulties with which their industries are faced—

- (a) Whether overseas goods of the class or description produced by the particular industry are being imported into New Zealand in sufficiently large quantities to prevent the proper development of the local industry.
- (b) Whether the overseas goods so imported are being sold or offered for sale at prices which are below the prices at which similar goods can be profitably manufactured or produced in New Zealand.
- (c) Whether, by reason of the severity and extent of such competition, employment in the manufacture or production of such goods in New Zealand is seriously affected.
- (d) Whether such competition comes largely from countries where the conditions are so different from those in this country as to render the competition unfair.
- (e) Whether in the case of goods exported from New Zealand, such goods are similarly faced with competition from countries with conditions so different as to render the competition unfair.
- (f) What other difficulties are preventing the industry from proper development.
- (g) What means should, in the opinion of the manufacturers, be taken either by themselves or by the Government to make the industry more efficient, and to bring about its proper development.
- (h) Tariff anomalies and effects.

The Committee had arranged a complete Dominion itinerary, commencing at Dunedin on the 3rd March, 1930. Owing to the resignation of Mr. H. R. Jenkins, the Committee could not function as authorized by Parliament. The inquiry as originally contemplated by a Select Committee had therefore to be abandoned. This announcement was received with some disappointment by the Manufacturers' Federation and on further representation being made to the Minister of Industries and Commerce, Hon. J. B. Donald, it was considered that a committee appointed under the Board of Trade Act could effectively undertake the investigation as originally planned, and submit a report to the Hon. Minister.

FOOTWEAR MANUFACTURING INDUSTRY.

The Department's previous annual report referred to the progress that had been made by the Committee appointed to investigate the footwear industry. Since the issue of that report, the Committee have held several meetings and have finalized their special report, which has been made available for the information of the manufacturers and workers engaged in the industry.

The present causes of depression in the industry are dealt with very fully in the report, so that there is no need to reiterate them here. The recommendations for the improvement of the industry are, however, of especial interest, and therefore are briefly summarized below:—

- (a) That "payment by results" systems be installed in factories to reduce unit labour-costs;
- (b) That factory layouts be analytically studied, and machinery and adjustment rearranged to reduce lost motions between operations to a minimum;
- (c) That routing of orders by a planning-clerk be established in factories in order to deliver work in correct sequence at least cost;
- (d) That the method of settling local differences between employers and employees should be improved, as suggested in the report;
- (e) That accurate detail costing of work is essential for manufacturing purposes, and that such methods should be installed;
- (f) That an experienced consulting management engineer be made available to those in the industry and other industries as recommended;

- (g) That, on account of the small size of New Zealand factories as compared with their overseas competitors, the question of amalgamation in respect of the small-order question and multiplicity of design be considered ;
- (h) That as certain manufacturers have been able to operate on a satisfactory paying basis by disposing of their products through retail shops which they control or mainly supply, it is suggested that the question of co-operative action between manufacturers be considered with a view to the reduction of marketing and distribution expenses ;
- (i) Co-operative action between New Zealand manufacturers in the establishment of a purchasing centre for materials would reduce stocks of materials, particularly foreign leathers that now frequently become dead stock ;
- (j) That the question of manufacturers retailing their own products is indicated as a means of meeting competition from overseas products.

In addition to the above recommendations, the members of the Committee other than the official members unanimously adopted the following resolution :—

“ That the recommendations made above in this report cannot be effective without the safeguard of additional Customs tariff of 5 per cent. for a period of five years. The granting of this increased tariff would, it is felt, enable the manufacturers to adopt the recommendations by giving them the necessary increased output, and, furthermore, would enable footwear made in New Zealand to be sold without increase in prices.”

The report was freely reviewed by the press, who generally complimented the Committee on the thorough manner in which the investigation had been carried out. One report stated that it was “ the first big scale attempt to introduce into the country the methods of rationalization in industry. It contained many trade admissions of faulty organization, and so many sound recommendations for dealing with these, that it must do some good if its findings are considered at all.”

Since the issue of the report in October last the Government Statistician has published the production figures of the industry for the year ending 31st March, 1929. These figures indicate that the industry has suffered a further setback for the period as shown by the following summary :—

| | 1928. | 1929. | Difference 1928-29. |
|----------------------------------|-----------|-----------|------------------------|
| Number of establishments | 81 | 74 | —7 |
| Employees | 2,338 | 2,293 | —45 |
| | £ | £ | £ |
| Salaries and wages paid | 405,443 | 392,499 | —12,944 |
| Cost of materials used | 565,250 | 580,927 | +15,677 |
| Added value | 603,487 | 563,942 | —39,545 |
| Value of products | 1,168,737 | 1,144,869 | —23,868 |

The imports of footwear wholly or mainly of leather have decreased slightly during the twelve months ended 31st December, 1929. The relative figures for the previous year are shown as under : 1928—153,337 dozen pairs ; value, £763,915. 1929—140,020 dozen pairs ; value, £753,843. Representing a decrease of 13,317 in quantity and £10,072 in value.

From reports that have reached the Department it would appear that some of the large factories at the present time are keeping their factories working full time with improvement in sales due in one case to the reorganization of their marketing methods. Other factories report that conditions are worse compared with those of last year. Unskilled labour is available, but there is a shortage of competent machinists. The price of leather has been reduced slightly during the year, but this has been offset by the reduction in prices of footwear to meet competition.

PRICE-CUTTING.

During the last year or so there has been considerable discussion and controversy on the question of price-cutting, and numerous complaints have been made as to the unfairness of what has become a more or less common trade practice. Price-cutting is not a new phenomenon in the commercial world, and for many years certain traders have cut the prices of special lines of commodities. It is, however, certainly true that during the last two or three years an increasing number of retailers and wholesalers in various trades have made a feature of finely cut prices for some of the lines which they sell.

Indiscriminate and consistent price-cutting regardless of profit or loss, is uneconomic, and can lead only to one end—the elimination of those financially least able to stand it. Provided a retailer or other trader is performing a real and necessary service in connection with the distribution of goods from the manufacturer to the consumer, then he is justly entitled to a reasonable profit or reward for his services, and price-cutting which tends to reduce what is a reasonable profit is illogical and uneconomic.

On the other hand, all price competition is not price-cutting, and many of the complaints that have been made of late years in this connection are entirely unjustified. New methods of distribution have arisen and are still being evolved. The process of rationalization of industry brings with it more rational or reasonable methods of distribution as well as of production.

Excessive numbers engaged in many lines of business, each unit conducting a comparatively small volume in relation to the total, keep costs at high figures relatively to turnover, and although it does not necessarily follow that the largest establishments have the lowest overhead costs, yet the experience of the last few years—out of which have arisen the outcries against many miscalled price-cutters—shows that very often these small units are an unnecessary burden upon the consumer.

The channels of distribution have changed considerably during the last few years, and in the field of retail trading, chain stores, department stores, and other similar organizations, have become an

increasingly common feature. Such organizations, with lower overhead costs, reduced costs of purchase and distribution, and new methods of sale and delivery, have proved in many cases that reduced prices are still consistent with a reasonable margin of profit.

While, therefore, it cannot be denied that in some instances what appears to be uneconomic price-cutting has been indulged in for competitive or other reasons, yet in numerous other instances it is equally undeniable that such tactics must more correctly be called "price competition," and must be regarded as a perfectly legitimate form of competition due to the adoption of improved methods of distribution. Economic progress demands constant improvement in all stages of production, and "production" is not completed until the goods are in the hands of the ultimate consumers. That is to say, the remedy for price competition is the adoption over the whole field of retail trading of more rational methods of distribution. Persistent price-cutting, however, in contradistinction to price competition, must eventually lead either to retirement from the field of commerce or to the Bankruptcy Court.

TIMBER.

Production of Timber.

The production of the main varieties of timber in the Dominion for the past eight years (ending at 31st March) is given in the following table:—

| Year ended 31st March, | Total. | Kauri. | Rimu. | White-pine. | Matai. | Totara. | Others. |
|---------------------------|-------------|------------|-------------|-------------|------------|------------|------------|
| | Sup. ft. | Sup. ft. | Sup. ft. | Sup. ft. | Sup. ft. | Sup. ft. | Sup. ft. |
| 1922 .. | 314,972,310 | 21,435,728 | 157,345,928 | 68,486,633 | 24,830,368 | 19,570,561 | 23,303,092 |
| 1923 .. | 304,351,877 | 22,460,759 | 155,627,936 | 66,088,219 | 23,747,049 | 20,843,718 | 15,584,196 |
| 1924 .. | 317,069,216 | 19,743,196 | 181,093,581 | 56,699,443 | 24,326,148 | 18,904,361 | 16,302,487 |
| 1925 .. | 344,094,874 | 22,891,535 | 195,572,705 | 65,572,439 | 23,947,707 | 18,509,551 | 17,600,937 |
| 1926 .. | 353,224,196 | 22,765,877 | 195,451,758 | 75,634,869 | 26,141,027 | 14,109,576 | 19,121,089 |
| 1927 .. | 305,675,258 | 18,474,981 | 170,498,282 | 65,490,059 | 19,380,469 | 14,179,462 | 17,652,005 |
| 1928 .. | 269,783,000 | 15,874,000 | 156,314,000 | 53,736,000 | 15,207,000 | 15,728,000 | 17,924,000 |
| 1929 .. | 270,214,420 | 10,742,967 | 156,239,992 | 56,790,306 | 15,752,744 | 8,610,639 | 22,077,772 |

The statistics for the sawmilling industry continue to evidence the depression that has been experienced by this industry for some years past. The decline in production figures for 1928-29 compared with that of the previous year is comparatively small, but when compared with the year 1926-27 the decrease is appreciable, amounting to no less than 35,000,000 ft. A still more serious decline is shown when comparison is made with the figures for 1925-26, which show a decrease of 83,000,000 ft., or 23 per cent.

The number of sawmills engaged in the production of rough sawn timber shows a shrinkage of twenty-four, the relative figures being 316 in 1927-28 and 292 in 1928-29.

Employment figures are equally disconcerting, as shown by the following: 1924-25, 7,377; 1925-26, 8,511; 1926-27, 6,996; 1927-28, 6,423; 1928-29, 5,757.

With a lessened demand for timber the year just ended is likely to show further depression in the industry, and consequently a further decrease in the number of employees. The decrease in the production of native timber is in a large measure due to the substitution of other materials for timber in constructional work. Plaster and wall boards have made serious inroads in the quantity of timber previously used for rough lining, tongued and grooved ceilings, &c., and the increasing use of concrete for floors and flat roofs are also serious factors in a movement towards the diminishing use of timber in building. This fact is borne out by returns furnished by the building and construction industry for the year ended 31st March, 1929. The figures show that while there was an increase of £1,256,735 in the cost of materials purchased (including payment to sub-contractors) the sales of timber by sawmillers declined by £34,135.

The export trade of the year under review showed a substantial increase of 4,000,000 ft. in quantity, and £62,375 in value, compared with that of 1928. The relative figures show the position as follows: 1928—quantity, 34,970,773 ft.; value, £376,967. 1929—quantity, 39,102,831 ft.; value, £439,342.

In addition to internal competition the miller has faced increasing competition from overseas. The following table shows in thousands of superficial feet the quantities of timber that directly compete with New Zealand native timber:—

| — | 1926. | 1927. | 1928. | 1929. |
|-----------------------------|-------------|-------------|-------------|-------------|
| | (1,000 ft.) | (1,000 ft.) | (1,000 ft.) | (1,000 ft.) |
| Cedar | 8,905 | 2,390 | 2,066 | 1,336 |
| Oregon | 16,937 | 17,638 | 16,713 | 16,188 |
| Hemlock | 4,278 | 2,207 | 4,903 | 4,108 |
| Redwood | 3,500 | 7,583 | 7,478 | 11,678 |
| Butter-box shooks | 1,648 | 1,807 | 2,006 | 3,147 |
| Cheese-crate shooks | 856 | 1,433 | 785 | 1,373 |
| Total | 36,132 | 33,058 | 33,951 | 37,830 |

Special Timber Committee.

This Committee, consisting of representatives of certain Government Departments and of the sawmilling industry, has been steadily at work during the year. Its main business up to the present has been devoted to the devising of grading and classification rules, having for its object a greater utilization of the log, by the introduction of grades which as the result of expert scientific investigation could be used with entire satisfaction in numerous cases where at present heart timber is specified.

Applicants for loans from State Advances Office for building are now notified that "wherever possible preference must be given to the use of New Zealand timbers in the construction of the dwelling."

Definite propaganda for extending the use of native timbers has now been undertaken by the Committee, and the first of a series of articles on the "Wider Use of New Zealand Timbers," prepared by Mr. A. R. Entrican, Engineer in Forest Products, has been published in the May issue of the "New Zealand National Review." It is proposed to reprint five thousand copies of this article for distribution to timber-merchants, builders, architects, local authorities, and other users of timber.

SHIPPING.

Coastal Trade.—The year 1929–30 has been notable for important additions to the trading fleet in New Zealand waters. The Union Steamship Company has withdrawn the following old cargo vessels: S.s. Kaitangata, 2,000 tons gross burden; s.s. Kaiapoi, 2,000 tons; s.s. Corinna, 1,319 tons. These have been replaced by modern cargo carriers especially built for the coastal trade, equipped with up-to-date cargo-handling appliances, and of greater carrying-capacity, viz.: S.s. Kaimiro, 2,562 tons gross burden; s.s. Karepo, 2,562 tons; s.s. Wainui, 1,633 tons. Another notable addition to this company's fleet is the s.s. Waimarino, of 3,030 tons gross burden, which arrived during June, 1930, and has been placed in the Dunedin–Auckland cargo service.

Greymouth–Westport Service.—Owing to shoal-water conditions on the bars at both of these ports, colliers found great difficulties in working these harbours. Very frequently vessels have had to leave only partly loaded and have also been bar-bound for periods up to a fortnight. In the case of Greymouth the position has been relieved by the railing of coal to East Coast ports. Westport, however, is not connected by rail with the South Island Main Trunk line, so that similar relief is not available. The expense of working Westport has also been increased by the necessity of many colliers to engage tugs to assist them in negotiating the bar during periods of low water.

Intercolonial Service.—During the year the Government subsidized a passenger service to Melbourne via Bluff and Wellington, starting on 29th October. The steamers Manuka and Maheno were put into this trade, but, unfortunately, the Manuka was lost by wreck south of Dunedin on the 16th December, 1929, and the service has since been carried on by the Maheno alone.

Overseas Trade.—The New Zealand Shipping Company has increased its fleet by the addition of the following modern motor-ships: S.s. Rangitiki, s.s. Rangitata, and s.s. Rangitane, each of 17,000 tons gross burden. These vessels are running in the express mail and cargo service between New Zealand and United Kingdom ports via the Panama Canal. The company's fleet now consists of seven vessels.

SUGAR.

The Department has as usual received and recorded information during the past year regarding the world's sugar markets, and has compared the movement of overseas prices with the prices ruling for the product of the New Zealand refinery. On the 1st May, 1929, the price of No. 1A sugar (the popular table grade), f.o.b. Auckland, was quoted at £18 10s. per ton. On the 7th June, 1929, it was reduced to £18, on the 22nd April, 1930, to £17 10s., and on the 6th May, 1930, to £17 per ton, at which figure it now stands.

During the year under review New Zealand's imports of sugar declined from 1,586,672 cwt., valued at £1,075,716 (the quantity and value recorded in 1928), to 1,394,600 cwt., valued at £717,991. There was a further heavy decrease in the quantity purchased from Fiji, this being made up to some extent by increased imports from Cuba. The following table shows the quantities and values imported for the last three years, and also the sources of supply.

Imports of Raw Sugar, 1927–29.

| Country. | 1927. | | 1928. | | 1929. | |
|---------------------------|-----------|---------|-----------|-----------|-----------|---------|
| | Cwt. | £ | Cwt. | £ | Cwt. | £ |
| Fiji | 316,011 | 270,156 | 570,889 | 423,825 | 105,519 | 63,895 |
| Dutch East Indies | 363,927 | 258,516 | 919,141 | 595,970 | 736,446 | 406,834 |
| Cuba | 432,554 | 322,684 | .. | .. | 552,638 | 247,262 |
| Peru | 128,431 | 82,999 | 96,642 | 55,921 | .. | .. |
| Total | 1,240,923 | 934,355 | 1,586,672 | 1,075,716 | 1,394,600 | 717,991 |

Sugar-markets have for some considerable time suffered from an overabundance of supply, due largely to expansion in the European beet-sugar industry, but also to greater production of cane sugar, without any corresponding increase in demand. Prices have continued to fall during the year, and it is still difficult to venture on any estimate of the immediate coming trend.

It is true that consumption is slowly overtaking production, because a reduction in world crops this year has given promise of the ultimate attainment of a more even balance between the two factors. The question, however, is how long will it take for the balance to be struck, especially in view of the present low level of prices in the world's markets for many of the principal raw materials and foodstuffs.

The general marking-down in values which the world has been witnessing during the last year or so has naturally led to a decline in prosperity in various countries which rely on outside markets for the sale of their produce, and has had a far-reaching effect on the spending-power throughout the world.

In the opinion of one authority the extremely low level of prices at which sugar stands would in the ordinary course of events have stimulated consumption not only in the Western Hemisphere, but also in the Far East where the possibilities of expansion of consumption of sugar are more elastic; but depressed trade conditions and financial stringency have prevented the realization of this increase in demand.

While it is impossible at present to form any decided views as to the future, it seems unreasonable to expect sugar to continue indefinitely at its present uneconomic level, and it seems likely that the hoped-for revival of trade generally will bring about an improvement in the absorption of sugar and in the prices of that commodity.

WHEAT, FLOUR, BREAD.

The production of wheat in New Zealand during the season 1928-29 was on a high level, a return of 8,832,864 bushels being obtained from 255,312 acres, an average of 34.60 bushels per acre.

The estimated area sown in wheat during the 1929-30 season was 234,500 acres, and the estimated yield 7,100,000 bushels, an average of 30.53 bushels per acre.

Notwithstanding the ample supplies of New Zealand wheat available, importations continue, although on a smaller scale than previous years. During the year 1929, 254,491 bushels of wheat and 9,771 tons of flour were imported into the Dominion. Together the importations for the year 1929 represent a quantity approximately equivalent to New Zealand's requirements for one month.

The New Zealand Wheat-growers Co-operative Association, Ltd., was established last year and is reported to be controlling upwards of 50 per cent. of the wheat grown in Canterbury and Otago.

During the year 1929, 219,131 bushels of wheat were exported from the Dominion.

The following table gives information concerning the grain-mills of the Dominion for the year ended 31st March, 1929 :—

| | | | | | | |
|-------------------------------------|----|----|----|----|----|------------|
| Number of establishments | .. | .. | .. | .. | .. | 52 |
| Value of land, buildings, and plant | .. | .. | .. | .. | .. | £835,514 |
| Persons engaged | .. | .. | .. | .. | .. | 693 |
| Amount paid as salaries and wages | .. | .. | .. | .. | .. | £173,920 |
| Cost of materials used | .. | .. | .. | .. | .. | £2,310,546 |
| Value of products | .. | .. | .. | .. | .. | £2,945,158 |
| Added value | .. | .. | .. | .. | .. | £634,612 |

Included in the materials used were 6,300,045 bushels of wheat, of a value of £2,034,404. The quantity of flour produced was 135,722 tons, of a value of £2,281,103. There were also produced 21,147 tons of bran, valued at £148,075, and 32,433 tons of pollard, valued at £262,604. Other products manufactured included 4,282 tons of oatmeal, valued at £100,082.

During the session of Parliament last year a special Committee was appointed to examine matters relating to the wheat industry, and to report to the House of Representatives. The findings of the Committee are hereby stated to record the circumstances leading to the special investigation by the Department into the cost of manufacture of flour and bread :—

“The items of the order of reference on which the Committee was instructed to report to the House, and the conclusions of the Committee thereon, are as follows :—

“(1) The advantages from a national standpoint of the policy of the Dominion being self-supporting as far as its wheat requirements are concerned.

“The Committee is unanimously of opinion that the Dominion should be self-supporting so far as its wheat requirements are concerned.

“(2) Whether the wheat-growers of the Dominion require protection or State assistance to enable them to market their product in competition with the importations from other countries.

“The Committee is unanimously of opinion that the wheat-growers of the Dominion should have some form of protection.

“(3) What form of protection or State assistance (if any) would effect that object without unduly adding to the cost of wheat-flour bread, fowl-wheat, and wheat-offal to the users.

“The Committee recommends that the present sliding scale of duties affecting wheat and flour, as provided under the Customs Amendment Act, 1927, be continued, but that bran and pollard be admitted to the Dominion free of duty.

“(4) Whether protection (if any) is required for the flour-milling industry.

“The answer to this question is covered by the answers to the preceding questions, but the Committee unanimously recommends that the Department of Industries and Commerce be asked to investigate the operations of the milling industry with the object of ascertaining whether or not the cost of the production of flour can be reduced.

“(5) Whether the costs of baking and distribution of bread to consumers are reasonable or otherwise.

“The Committee unanimously recommends that, in view of the disparity in the cost of baking and distribution of bread in various centres, the Department of Industries and Commerce be instructed to investigate the cost of baking and distribution of bread.”

The investigations referred to will shortly form the subjects of special reports to the Hon. the Minister of Industries and Commerce.

INQUIRY INTO MARKETING OF FRUIT AND VEGETABLES.

A request for an inquiry into the present methods of marketing fruit and vegetables was brought before the House of Representatives in October, 1929, by a petition signed by 156 Wellington fruit-retailers. The petition, *inter alia*, alleged that—

- (1) The present system of marketing fruit and vegetables was unsatisfactory, and imposed unfair conditions on retailers and consumers.
- (2) Fruit and vegetables are placed on the market packed and exhibited in such a manner as to mislead the purchaser.
- (3) Owing to methods of stacking and selling in sales-rooms, reasonable inspection of fruit offered is not possible.
- (4) Present conditions impose loss on retailers and increase price to public.

The petition urged an investigation into the methods employed in Wellington, and expressed the opinion that as the result of the investigation steps would be taken to introduce long-overdue reform. The committee of inquiry suggested by the petitioners was to comprise representatives of growers, fruit-merchants, retailers, and officers of the Department of Industries and Commerce and Agriculture, or some other competent body. The petition was referred by Parliament to the Industries and Commerce Committee for report. A number of retailers appeared before the Committee in support of the petition, and as the result the Committee reported to the House on the 7th November, 1929, as under: “That in the opinion of the Committee the petition should be referred to the Government for favourable consideration, with the suggestion that the inquiry should cover the whole Dominion.”

The Minister in charge of the Department considered that the investigation could be effectively carried out by departmental officers, and accordingly issued instructions for the inquiry to proceed. For the guidance of the officers and in order to cover as wide a field as possible, the following matters were to receive special consideration:—

- (1) Methods of packing and grading.
- (2) Handling and transport to markets.
- (3) Sources of supply of cases.
- (4) Cool-storage facilities.
- (5) Sales methods and selling organizations.
- (6) Utilization of surplus fruit.
- (7) Importations.

It was also suggested that growers, retailers, fruit-merchants, and other organizations interested in the marketing of fruit should be given an opportunity of placing the views of their organizations before the Department.

Objections were raised to the inquiry being undertaken by Departmental officers by a deputation of fruit-retailers who waited upon the Hon. G. W. Forbes, acting for the Prime Minister, on the 21st March last. The deputation urged the holding of a public inquiry in place of the Departmental one proposed. The Hon. G. W. Forbes replied that the Parliamentary Committee of Industries and Commerce, in his opinion, should conduct the inquiry, and arrangements to that end are now being made.

GAS REGULATIONS.

Eighteen gas undertakings in the Dominion are working under the Board of Trade Gas Regulations, which provide safeguards in regard to heating-value, purity, pressure, price, and measurement.

The work of the Gas Examiners and Inspectors of Meters has been carried out efficiently during the period under review. The official relations with the gas companies and municipal undertakings have been most satisfactory, and the closest co-operation in surmounting difficulties affecting the industry is maintained.

During April of this year Mr. R. W. Holmes, who was a Gas Referee under the regulations for four years, resigned. The Hon. the Minister of Industries and Commerce conveyed to Mr. Holmes his appreciation of the valuable services rendered. Mr. W. Donovan, M.Sc., F.I.C., succeeded Dr. Maclaurin as Chief Gas Examiner, whose services have been retained in the capacity of a Gas Referee.

COMMERCIAL TRUSTS ACT.

Several complaints have been made to the Department during the year that the provisions of the Commercial Trusts Act were being infringed, and in each case these have been followed by full investigation into the circumstances of the alleged breaches. These complaints relate principally to alleged refusals to supply, and the fixation of prices of commodities covered by the Schedule to the Act. In no instance, however, were the facts such as to justify legal action being taken.

CHATTELS TRANSFER ACT, 1924.

Section 57 of this Act provides for the protection of bailors of such chattels as are referred to in the Seventh Schedule without the necessity of registration, and it is provided by the Act that Orders in Council may be issued to extend the Seventh Schedule by adding further classes of chattels recognized as being the subject of "customary hire-purchase agreements."

Several applications for the extension of the Schedule have been received by the Department during the year, and these have been followed in each case, in accordance with the usual practice of the Department, by thorough investigation and inquiry by the district officers in each of the four chief centres of the Dominion, as to the customary trade practices, and as to the desirability or otherwise of adding such articles to the schedule.

Applications were made in respect of the following classes of chattels: Cameras, photographic apparatus, cinematograph cameras, scientific instruments, barometers, microscopes, surveying and drawing instruments, and telescopes; law books and law reports; refrigerators, water-coolers and ice-cream freezers; radio sets; water-softeners; visible credit files. Careful inquiries were made in regard to each of these applications, and, with one exception, the evidence obtained was insufficient to warrant the inclusion of the above-mentioned chattels. The exception was the application for the addition of law-books and law-reports to the schedule. As a result of this investigation the following were added: Laws of England, by the Right Honourable Earl of Halsbury; Encyclopædia of Forms and Precedents, published by Butterworth and Co. (Australia), Ltd.; The English and Empire Digest, published by Butterworth and Co. (Australia), Ltd.; The New Zealand Law Reports; Gazette Law Reports, published by Trade Auxiliary Company of New Zealand, Ltd.

There is a considerable divergence of opinion amongst different sections of the community as to the time-payment or hire-purchase system of conducting business, and with the ever-increasing number and variety of goods and commodities that are sold under this method opinion is becoming more and more sharply divided. On the one hand, there are those who extol the merits of the system, who claim that it is as much an influence towards thrift as a cause of extravagance, and who are desirous and willing to extend it to almost any class of goods if it will thereby induce increased sales, and, on the other hand, there are those who decry the extension of the system to anything other than absolute necessities.

It is undoubted that the hire-purchase system has decided economic benefits, and the principal objections to it must fairly be pointed not at the system itself, but at its abuse, for it is the excessive and extravagant adoption of the principle of deferred payment which constitutes the most serious objection.

With the increase in the number and volume of articles sold under this system, so does the number of applications to the Department for the inclusion of such articles in the Seventh Schedule to the Chattels Transfer Act increase. More and more careful inquiry has to be made on receipt of each application to find out whether the facts genuinely justify an addition to the Schedule, and in one or two instances in the past it has been found that the application was made merely as a preliminary to a special sales campaign that was to be conducted in connection with the particular articles.

ECONOMIC BULLETINS.

During the past year the Department has undertaken the issue of economic bulletins at frequent intervals, containing information regarding trade, commerce, markets, and other matters of interest to those engaged in industry. The bulletins are sent to the press, Chambers of Commerce, manufacturers' associations, prominent business executives, overseas trade representatives, and other persons and firms to whom they are likely to be of interest and value. The issue of these bulletins as a source of information has been favourably commented upon by the press and by the commercial interests of the Dominion.

In all eight issues have been made, which are as follow:—

Bulletin No. 1. "Trade with the East."

Bulletin No. 2. "Summary of the Finance, Trade, and Industries of New Zealand for the Quarter and Nine Months ended 30th September, 1929."

Bulletin No. 3. News Bulletin.

Bulletin No. 4. News Bulletin.

Bulletin No. 5. "Summary of the Finance, Trade, and Industries of New Zealand for the Quarter and Year ended 31st December, 1929."

Bulletin No. 6. News Bulletin.

Bulletin No. 7. "New Zealand's Trade Commissioner Service and the Facilities it can provide for Dominion Exporters."

Bulletin No. 8. "Summary of the Finance, Trade, and Industries of New Zealand for the Quarter and Year ended 31st March, 1930."

The next issue of the bulletin will comprise a further and much more comprehensive report upon the subject of the prospects of extending New Zealand's trade with the East, with particular reference to trade with Japan and South China. It is hoped that it will be of considerable value to business interests concerned.

CASH-ORDER TRADING.

The previous report of the Department referred briefly to the published report presented last session to the House of Representatives. The Committee appointed to investigate the operations

and the extent to which the system had grown in New Zealand reported that steps should be taken to control it by legislation, and made the following recommendations:—

- (1) That the commission charge to clients should not exceed 6d. in the pound.
- (2) The discount allowed by retailers to cash order companies should not exceed 10 per cent.
- (3) Canvassing for orders be prohibited.
- (4) Mail order propaganda to be prohibited.
- (5) Acceptance of orders by retailers to be open to those willing to accept them.
- (6) No orders to be issued to persons under twenty-one years of age.
- (7) Issue of orders to a married woman without the husband's written consent be not allowed.
- (8) No order to be issued to any person who has not completed payment of any previous order.

In order, however, to avoid restrictive legislation the Committee recommended that three months' notice be given to cash-order companies and others conducting a cash-order business to express their acquiescence in the above proposals. All cash-order companies were accordingly written to and requested to express their willingness or otherwise to conform to the above proposals. The invitation of the Committee to the cash-order companies to express their views on the proposals were in the majority of instances completely ignored.

The report was referred to the Industries and Commerce Committee of the House more specifically that the Committee should consider the recommendations in the report and whether control by legislation, as suggested, was desirable. Reporting to the House the Committee expressed the opinion that the following clauses in the recommendation be deleted:—

- (3) Canvassing for orders be prohibited.
- (4) Mail order propaganda to be prohibited.
- (7) Issue of orders to a married woman without the husband's written consent be not allowed,

and, further, that clause 8 be amended by the addition of the following words: "Providing that the amount advanced should not exceed £10 in any one case."

With these modifications the Committee recommended that legislation be introduced to regulate the cash-order trading system as outlined in the report.

CONCLUSION.

In a brief report of this kind only a few activities of a special nature are able to be touched upon, and no mention can be made of the large number of inquiries, both general and particular, with which the Department is dealing from day to day. To an ever-increasing extent general information concerning the Dominion's trade, commerce, and economic and social conditions, and particular information relating to certain specified industries is solicited from the Department, and every possible assistance is given to inquirers upon these subjects.

As mentioned early in the report, our trade and banking figures have been somewhat adversely affected during the year ended 31st March, 1930, by a more or less continuous fall in the prices of several of our principal primary products. The effect of this has been counteracted to some extent by increases in production of certain commodities. A substantial increase in exchange rates is tending to discourage importations and to restore the trade balance to a satisfactory figure. There are indications that the low level of prices in overseas markets is stimulating consumption in many lines, and it is hoped that next season may witness a revival in the demand for our products and an improvement in regard to prices. It is therefore to be expected that our trade and banking figures will show an early tendency towards a position of greater national security.

With regard to our manufacturing industries, it is very pleasing to note that the latest statistics available—those for the year ended 31st March, 1929—reveal a greater degree of activity and employment during that period than in the previous year. Our manufacturers are undoubtedly awakening to the necessity of availing themselves of more scientific methods of production, and the general public is slowly becoming imbued with a knowledge and an appreciation of the merits of the products of the manufacturing industries of the Dominion. With a still greater measure of support given to those industries by the buying public it is confidently hoped that the statistics for the year ended 31st March, 1930, and succeeding years, will show further steady expansion in many directions.

The Government's interest in the manufacturing industries was manifested during the year by the setting-up of a parliamentary Committee to investigate certain industries of the Dominion, but, unfortunately, owing to unforeseen circumstances, this was unable to function. It cannot be doubted that such a Committee, consisting of sound business men with a broad outlook and unbiassed in their opinions, could find much from such an investigation that would be of value to the industries concerned.

While it is true that there is a progressive movement amongst certain sections of the manufacturing industries and a genuine desire to adopt the most improved methods of production, yet it must be said that this movement is not general over the whole field. The apathy of some manufacturers is a bar to the general adoption of a more rational organization of production. Any improvement in many cases must therefore be effected as a result of investigations made by some external committee or commission appointed for the purpose.

Methods making for greater efficiency in plant and personnel, working-conditions, piecework and conditions thereof, and methods of wage-payment, relations between employer and employee, costing systems, and methods of marketing, are some subjects that offer scope for valuable investigation and research by such a committee. The elimination of waste, both in effort and materials, and the reduction of costs of production, are essential factors in the struggle for markets which is much in evidence to-day.

The problem of unemployment is largely connected with these elements for with the lowering of prices, which should result from decreased costs of production, demand should be stimulated and more workers absorbed. In its early stages rationalization might mean the shutting-down of the more unremunerative plants and the tightening-up of the productive machine to dispense with all unnecessary labour and materials. Alongside the machinery of rationalization there should therefore necessarily be provided machinery for the training and guidance of temporarily displaced workers as well as provision for those who cannot be transferred to other occupations.

Representations have been made in official quarters by the New Zealand Manufacturers' Federation for a "Development of Industries Board," and the fact that a proposal of this character has been made by the manufacturers indicates that they realize clearly that they have many problems which await solution—problems which are peculiar to New Zealand, arising as they do from our isolation from the great manufacturing centres of the world, and from the comparative smallness of our population. Sooner or later those problems must be solved if the manufacturing industries are to progress side by side with the development of the primary industries, and they can only be solved by investigation and study.

In conclusion, it is desired to record the Department's appreciation of the assistance given by the various Trade Commissioners, Consuls and Vice Consuls of overseas countries resident in New Zealand, and, in particular, to acknowledge its indebtedness to His Majesty's Trade Commissioner, the Canadian Trade Commissioner, and the Trade Commissioner for the United States.

Finally, mention must be made of the assistance given by other Government Departments during the year, particularly by the Customs Department, the State Forest Service, and the Departments of Agriculture and Scientific and Industrial Research.

For the Department of Industries and Commerce,
G. W. CLINKARD, Secretary.

APPENDIX A.

MANUFACTURING INDUSTRIES.

Fruit-preserving and Jam-making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 8 | 9 | 9 |
| Employees (number) | 260 | 309 | 325 |
| Wages paid | £45,814 | £54,825 | £56,862 |
| Value of output | £273,436 | £325,915 | £327,722 |
| Value added by manufacture | £107,359 | £122,895 | £132,433 |
| Imports, calendar years :— | | | |
| Jams and preserves (including preserved ginger) | £23,250 | £28,555 | £44,959 |
| Fruits bottled and preserved in syrup— | | | |
| Apricots | £31,882 | £27,195 | £28,980 |
| Peaches | £48,645 | £51,469 | £65,803 |
| Pears | £6,987 | £4,066 | £2,024 |
| Fruit-pulp n.e.i. | £5,660 | £4,395 | £4,257 |
| Total | £116,424 | £115,680 | £146,023 |

Production figures continue to show progressive increases. Compared with 1926, the increase in value shows the substantial figure of £92,947, or approximately 40 per cent. Imports increased by £30,343 over the figures for 1928. The items which contributed principally to this increase are jams and preserves, which increased by approximately £16,000. Of this amount, South Africa accounted for an increase of £7,438, and the United Kingdom £5,500.

Reports from New Zealand factories for the year ending 31st March, 1930, show that a steady increase has been made in output. Imports from South Africa, however, have been a serious competing factor, and the Government considered that circumstances warranted the imposition of a dumping duty which has operated from January of this year. With this source of competition placed on a more equitable basis, the local manufacturer should be able to obtain a larger percentage of total requirements. One feature of the information that has been supplied is the increasing use of New-Zealand-grown lemons for the making of lemon-peel.

Lime and Cement.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 26 | 27 | 29 |
| Employees (number) | 899 | 915 | 875 |
| Wages paid | £216,969 | £218,017 | £223,219 |
| Value of output | £925,003 | £961,561 | £914,232 |
| Value added by manufacture | £687,266 | £732,907 | £721,518 |
| Imports, calendar years :— | | | |
| Cement, building (cwt.) | 82,846 | 24,854 | 29,558 |
| Value | £15,591 | £7,078 | £8,973 |

Imports increased by £1,895, compared with the figure for 1928. The number of employees engaged in local works decreased by forty; wages paid increased by £5,202; and value of products decreased by £47,329.

Engineering.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 214 | 203 | 205 |
| Employees (number) | 3,778 | 3,668 | 3,741 |
| Wages paid | £786,161 | £779,764 | £803,273 |
| Value of output | £1,847,662 | £1,828,818 | £2,005,978 |
| Value added by manufacture | £1,207,999 | £1,202,751 | £1,276,017 |

The figures show substantial increases in wages paid (£23,509), value of output (£177,160), and value added by manufacture (£73,266). Reports from northern sources state that the current year shows a falling-off in new work. A greater proportion of the work has been in the repair trade. It is anticipated that constructional engineering work will show a decline as compared with 1929 production figures. Some of the southern works have gained increased output, necessitating the engagement of additional workers, while others report conditions only fair. Gas and electric cooking appliances are obtaining a greater measure of support owing to improved design and finish. A new gas-stove model design to replace wood and coal ranges with circulating hot-water system is a New Zealand product showing progress in utility and design.

Sauce, Pickle, and Vinegar Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 20 | 21 | 24 |
| Employees (number) | 258 | 278 | 283 |
| Wages paid | £49,082 | £49,616 | £50,577 |
| Value of output | £210,779 | £217,836 | £230,769 |
| Value added by manufacture | £105,096 | £113,811 | £126,771 |
| Imports, calendar year :— | | | |
| Pickles (gallons) | 2,893 | 2,552 | 4,249 |
| Value | £1,808 | £1,698 | £2,593 |
| Sauce and chutney (gallons) | 15,903 | 17,824 | 17,035 |
| Value | £17,055 | £16,866 | £17,417 |
| Vinegar (gallons) | 30,820 | 30,310 | 32,657 |
| Value | £8,244 | £7,699 | £8,864 |

This industry continues to show progressive increases both in value of output and added value. Manufacturers of these lines report increased sales for the current year. Prospects indicate a further satisfactory year.

Soap and Candle Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 25 | 24 | 23 |
| Employees (number) | 473 | 470 | 474 |
| Wages paid | £98,531 | £100,930 | £100,155 |
| Value of output | £566,802 | £521,172 | £523,230 |
| Value added by manufacture | £275,976 | £254,294 | £246,800 |

Competition in the bar-soap trade continues to be keen, and in order to obtain business manufacturers are resorting to price-cutting, resulting in sales at unpayable prices. Competition in the toilet-soap trade from overseas continues to be very keen, and reports state that business in this line is difficult to obtain at reasonable prices.

Coach and Motor-body Building.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 179 | 190 | 170 |
| Employees (number) | 1,497 | 1,469 | 1,405 |
| Wages paid | £312,691 | £309,961 | £290,153 |
| Value of output | £681,912 | £672,212 | £685,948 |
| Value added by manufacture | £426,119 | £432,732 | £432,995 |

A feature of the statistics above is the decline in the number of establishments, a decrease of twenty having taken place during the year under review. Reports from southern sources state that the industry is still in a depressed state, necessitating the discharge of employees, and the future prospects of the industry are anything but bright.

Biscuit and Confectionery Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 79 | 83 | 94 |
| Employees (number) | 2,655 | 2,640 | 2,734 |
| Wages paid | £365,442 | £373,896 | £375,140 |
| Value of output | £1,626,269 | £1,637,597 | £1,679,990 |
| Value added by manufacture | £841,798 | £846,915 | £843,832 |

This industry continues to show increases in output, 1929 exceeding that of 1928 by £42,000. An appreciable increase in number of factories operating is recorded at ninety-four, an increase of eleven for the year. Imports of these lines decreased by the substantial amount of £53,000. In the previous

annual report of the Department it was intimated that Messrs. Cadbury and Fry proposed to erect a factory in the Dominion for the manufacture of their products. It has now been announced that an amalgamation of R. Hudson and Co., Ltd., of Dunedin, with the English House has been effected. The parties in the amalgamation are to be congratulated on the step taken, indicative as it is of a world movement for the combination of producing-units in industry as opposed to uneconomic competition.

Furniture and Cabinet Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 337 | 343 | 331 |
| Employees (number) | 2,751 | 2,708 | 2,675 |
| Wages paid | £538,386 | £522,923 | £515,566 |
| Value of output | £1,413,054 | £1,318,957 | £1,342,948 |
| Value added by manufacture | £783,414 | £752,261 | £756,285 |

The value of output shows a slight recovery of £24,000, and value added by manufacture increased by £5,000, compared with the 1928 figures. The report on the current year shows that the present position will be maintained with a slight increase in production figures.

Ham and Bacon Factories.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|----------|
| Establishments (number) | 44 | 41 | 45 |
| Employees (number) | 401 | 394 | 374 |
| Wages paid | £93,378 | £98,739 | £90,539 |
| Value of output | £1,164,180 | £1,041,910 | £989,672 |
| Value added by manufacture | £240,289 | £334,475 | £298,049 |
| Cost of materials used | £923,891 | £707,435 | £691,623 |

The statistics for the year ended 31st March, 1929, for this industry depict an all-round decrease in practically all phases of the industry as compared with the previous year. There is, however, no occasion for alarm at this state of affairs, as the majority of factory-proprietors reported that business during the current year was steady.

Bricks, Pipes, Tiles, and Pottery Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 73 | 71 | 67 |
| Employees (number) | 1,316 | 1,300 | 1,233 |
| Wages paid | £303,561 | £295,848 | £278,965 |
| Value of output | £697,477 | £680,220 | £666,450 |
| Value added by manufacture | £666,096 | £650,999 | £640,916 |

Reports from the various centres of the Dominion point to a decrease in production for the current year. This is due to a decrease in building activity. In the Otago District, however, there is a demand for the better-class brick dwellings, and reports from that district are in consequence brighter than those from other districts.

Flax-milling.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 73 | 70 | 60 |
| Employees (number) | 1,193 | 1,020 | 879 |
| Wages paid | £233,897 | £181,304 | £145,348 |
| Value of output | £495,784 | £402,421 | £329,340 |
| Value added by manufacture | £369,465 | £310,116 | £259,856 |

Rope and Twine Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 7 | 7 | 8 |
| Employees (number) | 228 | 225 | 218 |
| Wages paid | £45,151 | £45,680 | £41,834 |
| Value of output | £227,562 | £214,344 | £187,730 |
| Value added by manufacture | £100,198 | £98,660 | £81,519 |

Figures for the flax-milling industry continue to show a substantial decline when compared with those of 1928. The industry has drifted to a very unsatisfactory position, owing to a fall in prices ruling on the London market. The export figures for fibre and tow also show a succession of decreases as shown by the undermentioned figures :—

| Year. | Tons. | £ |
|------------|--------|---------|
| 1926 | 20,798 | 589,603 |
| 1927 | 19,600 | 535,526 |
| 1928 | 15,683 | 394,450 |
| 1929 | 14,720 | 379,942 |

Clothing.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 229 | 215 | 228 |
| Employees (number) | 6,881 | 7,101 | 7,501 |
| Wages paid | £873,140 | £869,953 | £943,198 |
| Value of output | £2,600,462 | £2,507,446 | £2,691,690 |
| Value added by manufacture | £1,211,716 | £1,198,064 | £1,359,753 |
| Imports, calendar years— | | | |
| Apparel and ready-made clothing .. | £1,994,525 | £2,156,520 | £2,233,995 |

New Zealand factory production increased by the substantial sum of £184,244, an increase of 7·3 per cent. over the 1928 figures. Imports increased by £77,470, or 3·5 per cent. Of the increase in imports the United Kingdom accounted for £60,000; Germany, £6,000; and Japan, £4,000. Reports from northern factories state that local competition is keen, particularly from the factories using the cheaper class of imported cloth for clothing. Imports of this material seriously complicate the position of the New Zealand mills, which produce in general the higher grades of cloth.

Agricultural and Dairy Machinery and Implement Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 25 | 25 | 26 |
| Employees (number) | 885 | 779 | 826 |
| Wages paid | £191,002 | £168,483 | £183,266 |
| Value of output | £607,339 | £610,136 | £800,911 |
| Value added by manufacture | £311,614 | £320,848 | £383,597 |

It will be noted from the above figures that appreciable increases have taken place in the value of output and also in the value added by manufacture. In the Auckland District the sale of harrows and top-dressers has materially increased during the past year. Keen competition has been experienced locally, but, on the whole, the year has been a satisfactory one. A few southern factories report a fairly satisfactory year, and a new line of top-dressers and pasture harrows has been placed on the market. Other factories in the South report that trade conditions have only been fair. Overseas competition has been felt more keenly than local competition.

IMPORTS (CALENDAR YEARS).

| | 1927. | | 1928. | | 1929. | |
|---------------------------------|---------|--------|---------|--------|---------|--------|
| | Number. | Value. | Number. | Value. | Number. | Value. |
| Agricultural machinery— | | £ | | £ | | £ |
| Cultivators | 541 | 7,102 | 1,282 | 7,667 | 1,518 | 15,002 |
| Drills and sowers | 1,233 | 17,629 | 336 | 6,309 | 956 | 9,893 |
| Harrows, disk | 621 | 8,102 | 296 | 3,219 | 765 | 10,577 |
| Ploughs | 848 | 9,419 | 876 | 9,262 | 1,026 | 8,890 |
| Presses—wool, hay, and straw .. | 32 | 2,045 | 20 | 1,733 | 103 | 6,277 |
| Dairying machinery—churns .. | 2,158 | 5,189 | 2,447 | 3,467 | 2,428 | 5,368 |

Woollen-manufacturing.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 12 | 12 | 12 |
| Employees (number) | 2,380 | 2,451 | 2,576 |
| Wages paid | £369,323 | £381,561 | £399,560 |
| Value of output | £1,053,306 | £1,209,150 | £1,236,578 |
| Value added by manufacture | £550,169 | £627,305 | £647,699 |
| Imports, calendar year :— | | | |
| Woollen piece-goods (pure or containing wool) | £787,986 | £785,593 | £742,649 |

This industry shows a slight increase in wages paid, value of output, and value added by manufacture over the figures for the corresponding period of the previous year. With a falling wool-market trading conditions have been difficult, buyers being reluctant to place orders owing to the unstable position of the wool-market. In order to show the competition from overseas, import figures for four years are given hereunder, together with figures for artificial silk and cotton. Imports show

that while there is a diminishing quantity of cotton and woollen goods imported, the difference is more than made up by an increase in the imports of artificial silk piece-goods.

| Piece-goods. | 1926. | 1927. | 1928. | 1929. |
|-------------------------|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Artificial silk | 711,941 | 831,782 | 1,001,569 | 1,211,335 |
| Woollen | 813,537 | 787,986 | 785,593 | 742,649 |
| Cotton | 1,881,372 | 1,726,923 | 1,791,685 | 1,776,661 |

Recently a leading drapery establishment in New Zealand featured a comprehensive exhibit of garments and other woollen goods, the object being to stimulate a demand for wool. The exhibit was opened by the Prime Minister who emphasized the importance of the community purchasing as far as possible woollen goods, and more especially those which are the product of New Zealand mills.

Printing and Publishing.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|------------|------------|------------|
| Establishments (number) | 344 | 346 | 358 |
| Employees (number) | 7,874 | 8,053 | 8,322 |
| Wages paid | £1,752,291 | £1,805,690 | £1,838,262 |
| Value of output | £4,527,696 | £4,411,052 | £4,642,725 |
| Value added by manufacture | £3,421,672 | £3,276,179 | £3,476,787 |

The statistics above show that the decline recorded last year has been more than regained by the figures for 1928–29, value of output recording the substantial increase of £230,000. Reports from leading houses in the Dominion advise a general improvement in trade secured. The quality of the work now turned out by leading printing houses is of an exceptionally high order, and compares very favourably with imported printed matter. Orders which were previously sent overseas are now being placed locally for high-class work.

Brush and Broom Making.

| Official statistics, year ended 31st March :— | 1927. | 1928. | 1929. |
|---|----------|----------|----------|
| Establishments (number) | 12 | 9 | 10 |
| Employees (number) | 238 | 223 | 215 |
| Wages paid | £42,571 | £38,192 | £40,332 |
| Value of output | £130,287 | £120,130 | £111,898 |
| Value added by manufacture | £74,777 | £65,046 | £67,074 |
| Imports, calendar years— | | | |
| Brushes, brushware, and brooms.. .. . | £64,723 | £76,291 | £81,963 |

Reports from those engaged in this industry state that the condition of the industry is unsatisfactory. Imports again show an increase of approximately £5,000, while the value of output from New Zealand factories has declined by £8,000. The increase in competition from overseas is mainly from the United Kingdom. Local competition is also keen to obtain the business offering in this class of goods.

Approximate Cost of Paper.—Preparation, not given; printing (1,250 copies, including graphs), £43 10s.

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Department of Justice, Federal Bureau of Investigation, Washington, D. C. 20535

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